MID AMERICA APARTMENT COMMUNITIES INC
Form S-4/A
August 23, 2013
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As filed with the Securities and Exchange Commission on August 22, 2013

Registration No. 333-190028

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MID-AMERICA APARTMENT COMMUNITIES, INC.

MID-AMERICA APARTMENTS, L.P.

(Exact name of registrant as specified in its governing instrument)

Tennessee	6798	62-1543819
Tennessee	6798	62-1543816
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

6584 Poplar Avenue

Memphis, Tennessee 38138

(901) 682-6600

(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

H. Eric Bolton, Jr.

Chairman of the Board of Directors and

Chief Executive Officer

6584 Poplar Avenue, Suite 300

Memphis, Tennessee 38138

(901) 682-6600

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

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions to the closing of the mergers described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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

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

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

Mid-America Apartment Communities Inc.:	Large Accelerated filer x	Accelerated filer ¨	Non-accelerated filer ¨ (Do not check if a small reporting company)	Smaller reporting company ¨
Mid-America Apartments, L.P.:	Large Accelerated filer ¨	Accelerated filer ¨	Non-accelerated filer x (Do not check if a small reporting company)	Smaller reporting company ¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Issuer Third Party Tender Offer) ¨

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint consent solicitation/prospectus is not complete and may be changed. Mid-America Apartment Communities, Inc. and Mid America, L.P. may not sell the securities offered by this joint consent solicitation/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint consent solicitation/prospectus is not an offer to sell these securities nor should it be considered a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION, DATED AUGUST 22, 2013

PARTNERSHIP MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

To the Unitholders of Mid-America Apartments, L.P. and the Unitholders of Colonial Realty Limited Partnership:

The board of directors of Mid-America Apartment Communities, Inc. (MAA), the general partner of Mid-America Apartments, L.P. (MAA LP), and the board of trustees of Colonial Properties Trust (Colonial), the general partner of Colonial Realty Limited Partnership (Colonial LP), have each unanimously approved an agreement and plan of merger, dated as of June 3, 2013, that provides for the merger of Colonial with and into MAA, which we refer to as the parent merger, and the merger of Colonial LP with a transitory subsidiary of MAA LP, which we refer to as the partnership merger.

If the partnership merger is completed, each limited partner interest in Colonial LP designated as a Class A Unit and a Partnership Unit under the limited partnership agreement of Colonial LP, which we refer to in this joint consent solicitation/prospectus as Colonial LP units, issued and outstanding immediately prior to the effectiveness of the partnership merger (other than general partner interests owned by Colonial) will be cancelled and converted automatically into Class A Common Units in MAA LP, which we refer to in this joint consent solicitation/prospectus as new MAA LP units, in an amount equal to 1 multiplied by 0.360. Each MAA LP unit held by MAA LP unitholders immediately prior to the partnership merger will continue to represent one MAA LP unit after the partnership merger in accordance with the terms of an amended and restated MAA LP limited partnership agreement that MAA LP must adopt as a condition to the closing of the partnership merger.

In order for MAA and MAA LP to complete the mergers, the holders of at least a majority of the outstanding MAA LP units, which excludes for purposes of the approval all partnership interests held by MAA, must approve the merger agreement and the partnership merger. The merger agreement also provides that the amended and restated MAA LP limited partnership agreement will be the limited partnership agreement of MAA LP at the time of the partnership merger. The amended and restated MAA LP limited partnership agreement must be approved by the holders of at least $66\,^{2}/_{3}$rds of the outstanding MAA LP units, which excludes for purposes of the approval all partnership interests held by MAA.

Under Colonial LP s partnership agreement, the approval of the merger agreement and the partnership merger by Colonial LP s unitholders requires the approval of the holders of at least three-fourths of the outstanding Colonial LP units, including the Colonial LP units held by Colonial.

After careful consideration, the MAA Board of Directors (the MAA Board), on behalf of MAA in its capacity as the sole general partner of MAA LP, has unanimously determined and declared that the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of MAA LP and its unitholders and approved and adopted the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement. **The MAA Board unanimously recommends that MAA LP unitholders approve the merger agreement and the partnership merger.** Additionally, the MAA Board has unanimously determined that it is desirable and in the best interests of MAA, MAA LP and the MAA LP unitholders to amend and restate the existing MAA LP agreement of limited partnership and approve the amended and restated MAA LP limited partnership agreement. **The MAA Board unanimously recommends that MAA LP unitholders approve the amended and restated MAA LP limited partnership agreement.**

The Colonial Board of Trustees (the Colonial Board), on behalf of Colonial in its capacity as the sole general partner of Colonial LP, has unanimously determined that the merger agreement, the partnership merger and the other transactions contemplated thereby are advisable and in the best interests of the Colonial LP unitholders and approved and adopted the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement. **Colonial, as the sole general partner of Colonial LP, recommends that Colonial LP unitholders approve the merger agreement and the partnership merger.**

This joint consent solicitation/prospectus contains important information about MAA LP, Colonial LP, the partnership merger, the merger agreement and the amendment and restatement of the limited partnership agreement of MAA LP. This document is also a prospectus for new MAA LP units that will be issued to Colonial LP unitholders pursuant to the merger agreement and for the shares of MAA common stock that may be issued from time-to-time in exchange for the new MAA LP units. **We encourage you to read this joint consent solicitation/prospectus carefully before completing the consent form, including the section entitled Risk Factors beginning on page 28.**

Your consent is very important, regardless of the number of MAA LP units or Colonial LP units you own. Your consent form is due by 11:59 p.m., Central Time, on September 26, 2013. Please review this joint consent solicitation/prospectus for more complete information regarding the partnership merger and the amended and restated MAA LP limited partnership agreement.

Neither the Securities and Exchange Commission, nor any state securities regulatory authority has approved or disapproved of the partnership merger or the securities to be issued under this joint consent solicitation/prospectus or has passed upon the adequacy or accuracy of the disclosure in this joint consent solicitation/prospectus. Any representation to the contrary is a criminal offense.

This joint consent solicitation/prospectus is dated [ ], 2013, and is first being mailed to MAA LP unitholders and Colonial LP unitholders on or about [ ], 2013.

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ABOUT THIS DOCUMENT

This joint consent solicitation/prospectus, which forms part of a registration statement on Form S-4 filed by MAA and MAA LP (File No. 333-190028) with the Securities and Exchange Commission, which is referred to herein as the SEC, constitutes a prospectus of MAA LP for purposes of the Securities Act of 1933, as amended, which is referred to herein as the Securities Act, with respect to the new MAA LP units to be issued to Colonial LP unitholders in exchange for Colonial LP units in the partnership merger pursuant to the Agreement and Plan of Merger, dated as of June 3, 2013, by and among MAA, MAA LP, Martha Merger Sub, LP (OP Merger Sub), Colonial and Colonial LP, as such agreement may be amended from time-to-time and which we refer to as the merger agreement. A copy of the merger agreement is included as Annex A to this joint consent solicitation/prospectus. This joint consent solicitation/prospectus also constitutes a prospectus of MAA for purposes of the Securities Act with respect to the shares of MAA common stock that may be issued from time-to-time in exchange for the new MAA LP units issued in connection with the partnership merger.

In addition, this document constitutes a joint consent solicitation statement of MAA LP and Colonial LP under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is referred to herein as the Exchange Act.

You should rely only on the information contained or incorporated by reference in this joint consent solicitation/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint consent solicitation/prospectus. This joint consent solicitation/prospectus is dated [ ], 2013. You should not assume that the information contained in, or incorporated by reference into, this joint consent solicitation/prospectus is accurate as of any date other than that date. Neither our mailing of this joint consent solicitation/prospectus to MAA LP unitholders or Colonial LP unitholders nor the issuance by MAA LP of new MAA LP units to Colonial LP unitholders pursuant to the merger agreement will create any implication to the contrary.

This joint consent solicitation/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint consent solicitation/prospectus regarding MAA and MAA LP has been provided by MAA and MAA LLP, respectively and information contained in this joint consent solicitation/prospectus regarding Colonial and Colonial LP has been provided by Colonial.

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QUESTIONS AND ANSWERS

The following are answers to some questions that MAA LP unitholders and Colonial LP unitholders may have regarding the partnership merger and the other matters discussed in this joint consent solicitation/prospectus. MAA, as the sole general partner of MAA LP, MAA LP, Colonial, as the sole general partner of Colonial LP, and Colonial LP urge you to read carefully this entire joint consent solicitation/prospectus, including the Annexes, and the documents incorporated by reference into this joint consent solicitation/prospectus, because the information in this section does not provide all the information that might be important to you.

Unless stated otherwise, all references in this joint consent solicitation/prospectus to

MAA are to Mid-America Apartment Communities, Inc., a Tennessee corporation and the sole general partner of MAA LP;

MAA LP are to Mid-America Apartments, L.P., a Tennessee limited partnership;

OP Merger Sub are to Martha Merger Sub, LP, a Delaware limited partnership and a subsidiary of MAA LP;

Colonial are to Colonial Properties Trust, an Alabama real estate investment trust and the sole general partner of Colonial LP;

Colonial LP are to Colonial Realty Limited Partnership, a Delaware limited partnership;

the MAA Board are to the board of directors of MAA;

the Colonial Board are to the board of trustees of Colonial;

the merger agreement are to the Agreement and Plan of Merger, dated as of June 3, 2013, by and among MAA, MAA LP, OP Merger Sub, Colonial, and Colonial LP, as it may be amended from time to time, a copy of which is attached as Annex A to this joint consent solicitation/prospectus and is incorporated herein by reference;

the parent merger are to the merger of Colonial with and into MAA, with MAA continuing as the surviving entity pursuant to the terms of the merger agreement;

the partnership merger are to the merger, prior to the parent merger, of OP Merger Sub with and into Colonial LP, with Colonial LP continuing as the surviving entity and an indirect wholly owned subsidiary of MAA LP pursuant to the terms of the merger agreement;

the mergers are to the parent merger and the partnership merger;

the Combined Corporation are to MAA after the effective time of the mergers, including in its capacity as the sole general partner of MAA LP;

MAA LP units are to the Class A Common Units under the existing MAA LP limited partnership agreement and amended and restated MAA LP limited partnership agreement, as applicable;

Colonial LP partnership agreement are to the Fourth Amended and Restated Agreement of Limited Partnership of Colonial LP, dated as of January 27, 2012;

Colonial LP units are to limited partner interest in Colonial LP designated as a Class A Unit and a Partnership Unit under the limited partnership agreement of Colonial LP;

the existing MAA LP limited partnership agreement are to the Second Amended and Restated Agreement of Limited Partnership of MAA LP, dated as of November 25, 1997, as amended; and

the amended and restated MAA LP limited partnership agreement are to the Third Amended and Restated Agreement of Limited Partnership of MAA LP in substantially the form attached as Annex B to this joint consent solicitation/prospectus and incorporated herein by reference.

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Q: What is the proposed transaction?

A: MAA and Colonial are proposing a combination of their companies through (1) the merger of OP Merger Sub with and into Colonial LP, with Colonial LP continuing as the surviving entity and an indirect wholly owned subsidiary of MAA LP, and (2) the merger of Colonial with and into MAA, with MAA continuing as the surviving entity, in each case pursuant to the terms of the merger agreement. Following the mergers, MAA will be structured as a traditional umbrella partnership REIT, or UPREIT, and will hold all of its assets, other than its general partner and limited partner interests in MAA LP and certain bank or other accounts, through MAA LP.

Q: What will I receive in the partnership merger?

A: *Colonial LP unitholders*. As a result of the partnership merger, each Colonial LP unit issued and outstanding immediately prior to the effectiveness of the partnership merger (other than the general partner interests owned by Colonial) will be converted into MAA LP units in an amount equal to 1 multiplied by 0.360, and each holder of MAA LP units issued in the partnership merger will be admitted as a limited partner of MAA LP in accordance with the terms of the amended and restated MAA LP limited partnership agreement.

MAA LP Unitholders. Each MAA LP unit held by MAA LP unitholders immediately prior to the partnership merger will continue to represent one MAA LP unit after the partnership merger in accordance with the terms of the amended and restated MAA LP limited partnership agreement.

Q: What percentage of MAA LP will the continuing unitholders of MAA LP and the former unitholders of Colonial LP hold following the mergers?

A: Upon the completion of the mergers, continuing MAA LP unitholders (excluding MAA) will own approximately 2.2% of the issued and outstanding MAA LP units and former Colonial LP unitholders (excluding Colonial) will own approximately 3.3% of the issued and outstanding MAA LP units. The Combined Corporation, as the sole general partner of MAA LP and as a limited partner of MAA LP, will own approximately 94.5% of the issued and outstanding MAA LP units following the mergers.

Q: What happens if the value of MAA LP units or Colonial LP units changes before the closing of the partnership merger?

A: No change will be made to the exchange ratio of 0.360 for the partnership merger if the value of MAA LP units or Colonial LP units changes before the partnership merger. Because the exchange ratio is fixed, the value of the consideration to be received by Colonial LP unitholders in the partnership merger will depend on the value of MAA LP units at the time of the partnership merger. The value of MAA LP units will fluctuate based on changes in the market price of shares of MAA common stock since MAA LP units are convertible into shares of MAA common stock.

Q: What is the purpose of this joint consent solicitation/prospectus?

A: *MAA LP*. MAA, as the sole general partner of MAA LP, and MAA LP are using this joint consent solicitation/prospectus to solicit the consent of MAA LP unitholders to the merger agreement and the amended and restated MAA LP limited partnership agreement. In addition, MAA LP is using this joint consent solicitation/prospectus as a prospectus for MAA LP units to be issued in exchange for Colonial LP units in the partnership merger and MAA is using this joint consent solicitation/prospectus as a prospectus for the shares of MAA common stock that may be issued from time-to-time in exchange for the MAA LP units issued in the partnership merger.

Colonial LP. Colonial, as the sole general partner of Colonial LP, and Colonial LP are using this joint consent solicitation/prospectus to solicit the consent of Colonial LP unitholders to the merger agreement and the partnership merger.

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Q: What unitholder approvals are required in connection with the mergers and the transactions contemplated thereby?

A: *MAA LP Unitholders*. In order for MAA and MAA LP to complete the mergers, the holders of at least a majority of the outstanding MAA LP units, which excludes for purposes of the approval all partnership interests held by MAA, must approve the merger agreement and the partnership merger. By approving the merger agreement and the partnership merger, the MAA LP unitholders will also be waiving the provisions of Article 12 of the existing MAA LP limited partnership agreement with respect to the mergers. The merger agreement also provides that the amended and restated MAA LP limited partnership agreement will be the limited partnership agreement of MAA LP at the time of the partnership merger. The amended and restated MAA LP limited partnership agreement must be approved by the holders of at least 66 2/3rds of the outstanding MAA LP units, which excludes for purposes of the approval all partnership interests held by MAA.

MAA LP Class B Common Units. In addition, the approval of the merger agreement, the partnership merger and the amended and restated MAA LP limited partnership agreement by MAA LP s Class B Common Units is also required to complete the mergers. MAA is the holder of all of the outstanding Class B Common Units. While MAA has not yet approved the merger agreement, the partnership merger or the amended and restated MAA LP limited partnership agreement in its capacity as a holder of Class B Common Units, MAA is a party to, and bound by the terms of, the merger agreement (which expressly obligates MAA to vote the Class B Common Units in favor of these matters) and it is expected that MAA will deliver its written consent to approve the merger agreement, the partnership merger and the amended and restated MAA LP limited partnership agreement in such capacity.

Colonial LP Unitholders. Under Colonial LP s partnership agreement, the approval of the merger agreement and the partnership merger by Colonial LP s unitholders requires the approval of the holders of at least three-fourths of the outstanding Colonial LP units, including the Colonial LP units held by Colonial. Colonial is the holder of approximately 92.5% of the outstanding Colonial LP units. While Colonial has not yet approved the merger agreement and the partnership merger in its capacity as a holder of Colonial LP units, Colonial is a party to, and bound by the terms of, the merger agreement and it is expected that Colonial will deliver its written consent to approve the merger agreement and the partnership merger in such capacity.

Q: Why are MAA and Colonial proposing the mergers?

A: Among other reasons, the MAA Board and the Colonial Board believe that the mergers will create the pre-eminent Sunbelt-focused multifamily real estate investment trust, referred to herein as a REIT, that will own approximately 85,000 apartment units in 285 communities, representing the second largest publicly-traded REIT portfolio of owned apartments. Following the mergers, MAA LP is expected to have significant liquidity, a strong investment-grade balance sheet and a well-staggered debt maturity profile provided by long-standing lending partners that will provide an enhanced competitive advantage across the Sunbelt as well as being expected to drive higher margins as a result of synergies and advantages generated by the mergers. To review the reasons of the MAA Board for the mergers in greater detail, see The Mergers Recommendation of the MAA Board and Its Reasons for the Mergers beginning on page 70 and to review the reasons of the Colonial Board for the mergers in greater detail, see The Mergers Recommendation of Colonial and Its Reasons for the Mergers beginning on page 73.

Q: What is the MAA Board s recommendation with respect to the MAA LP unitholder proposals?

A: After careful consideration, the MAA Board, on behalf of MAA in its capacity as the sole general partner of MAA LP, has unanimously determined and declared that the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of MAA LP and its unitholders and approved and adopted the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement. **The MAA Board unanimously recommends that MAA LP**

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unitholders approve the merger agreement and the partnership merger. For a more complete description of the recommendation of the MAA Board, see The Mergers Recommendation of the MAA Board and Its Reasons for the Mergers beginning on page 70.

Additionally, the MAA Board has unanimously determined that it is desirable and in the best interests of MAA, MAA LP and the MAA LP unitholders to amend and restate the existing MAA LP agreement of limited partnership and approved the amended and restated MAA LP limited partnership agreement. **The MAA Board unanimously recommends that MAA LP unitholders approve the amended and restated MAA LP limited partnership agreement.**

Q: What is Colonial s recommendation with respect to the Colonial LP unitholder proposal?

A: After careful consideration, the Colonial Board, on behalf of Colonial in its capacity as the sole general partner of Colonial LP, has unanimously determined that the merger agreement, the partnership merger and the other transactions contemplated thereby are advisable and in the best interests of the Colonial LP unitholders and approved and adopted the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement. **Colonial, as the sole general partner of Colonial LP, recommends that Colonial LP unitholders approve the merger agreement and the partnership merger.** For a more complete description of the recommendation of Colonial, see The Mergers Recommendation of Colonial and Its Reasons for the Mergers beginning on page 73.

Q: Have any unitholders already agreed to approve the partnership merger or the amended and restated MAA LP limited partnership agreement?

A: *MAA LP*. Pursuant to separate voting agreements, certain unitholders of MAA LP, who together as of August 20, 2013 owned approximately 37.37% of the outstanding MAA LP units, have agreed to approve the merger agreement, the partnership merger and the amended and restated MAA LP limited partnership agreement, subject to the terms and conditions of the respective voting agreements, as described under Voting Agreements beginning on page 112.

Colonial LP. Pursuant to separate voting agreements, certain unitholders of Colonial LP, who together as of August 20, 2013 owned approximately 3.5% of the outstanding Colonial LP units, including Colonial LP units held by Colonial, have agreed to approve the merger agreement and the partnership merger, subject to the terms and conditions of the respective voting agreements, as described under Voting Agreements beginning on page 112.

As described above, Colonial is the holder of approximately 92.5% of the outstanding Colonial LP units. While Colonial has not yet approved the merger agreement and the partnership merger in its capacity as a holder of Colonial LP units, Colonial is a party to, and bound by the terms of, the merger agreement and it is expected that Colonial will deliver its written consent to approve the merger agreement and the partnership merger in such capacity.

Q: Who will be the general partner of MAA LP, and the board of directors and management of the Combined Corporation, after the mergers?

A: At the effective time of the mergers, the Combined Corporation will be the sole general partner of MAA LP with all management powers over the business and affairs of MAA LP. The number of directors that comprise the board of directors of the Combined Corporation at the effective time of the mergers will be twelve, with all seven of the existing members of the MAA Board immediately prior to the completion of the parent merger, H. Eric Bolton, Jr., Alan B. Graf, Jr., Ralph Horn, Philip W. Norwood, W. Reid Sanders, William B. Sansom and Gary Shorb, continuing as directors of the Combined Corporation. In addition, five current members of the Colonial Board, Thomas H. Lowder, James K. Lowder, Claude B. Nielsen, Harold W. Ripps and John W.

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Spiegel, will join the board of directors of the Combined Corporation. Alan B. Graf, Jr. and Ralph Horn, Co-Lead Independent Directors for MAA, will serve as Co-Lead Independent Directors for the Combined Corporation.

H. Eric Bolton, Jr., MAA s Chief Executive Officer and Chairman of the Board of Directors, will serve as Chief Executive Officer and Chairman of the Board of Directors of the Combined Corporation. Albert M. Campbell, III, MAA s Chief Financial Officer, will serve as Chief Financial Officer of the Combined Corporation, and Thomas L. Grimes, Jr., MAA s Chief Operating Officer, will serve as the Chief Operating Officer of the Combined Corporation.

Q: Will MAA LP unitholders, including former Colonial LP unitholders, have the right to redeem or convert their MAA LP units after the partnership merger?

A: Yes. Subject to certain limitations set forth in the amended and restated MAA LP limited partnership agreement, the limited partners of MAA LP (other than MAA) who hold MAA LP units, including former Colonial LP unitholders that receive MAA LP units in the partnership merger, may require MAA LP to redeem their MAA LP units at any time. Unless MAA elects to assume and perform MAA LP s redemption obligation, as described below, the redeeming limited partner will receive cash in an amount equal to the market value of the MAA LP units to be redeemed. The market value of an MAA LP unit for this purpose will be equal to the average of the closing trading price of a share of MAA common stock (or substitute information, if no such closing price is available) for the ten trading days before the day on which the redemption notice was given. In lieu of MAA LP redeeming MAA LP units, MAA may elect to acquire the MAA LP units, for cash or a number of shares of MAA common stock equal to the number of MAA LP units to be redeemed, directly from a limited partner seeking a redemption. For more information regarding redemption of MAA LP units, see Comparison of Unitholder Rights beginning on page 160 and Description of the Amended and Restated MAA LP Limited Partnership Agreement and the MAA LP Units beginning on page 153.

Q: Will MAA and Colonial continue to pay distributions prior to the effective time of the mergers?

A: Yes. Prior to the completion of the mergers, it is expected that each outstanding Colonial LP unit and MAA LP unit will continue to receive a distribution from Colonial LP and MAA LP, respectively, in substantially the same amount as the dividend paid on each Colonial common share or share of MAA common stock, respectively. The merger agreement permits MAA to continue to pay a regular quarterly distribution, in accordance with past practice at a rate not to exceed $0.695 per quarter, and any distribution that is reasonably necessary to maintain its REIT qualification and/or to avoid the imposition of U.S. federal income or excise tax. The merger agreement permits Colonial to pay a regular quarterly distribution, in accordance with past practice at a rate not to exceed $0.21 per quarter, and any distribution that is reasonably necessary to maintain its REIT qualification and/or to avoid the imposition of U.S. federal income or excise tax. The timing of quarterly dividends will be coordinated by MAA and Colonial so that that if either the MAA shareholders or the Colonial shareholders receive a dividend for any particular quarter prior to the closing the mergers, the shareholders of the other entity will also receive a dividend for that quarter prior to the closing of the mergers.

Q: Are there any conditions to closing of the mergers that must be satisfied for the mergers, including the partnership merger, to be completed?

A: Yes. Closing of the mergers, including the partnership merger, is conditioned upon the approval of the merger agreement, the parent merger and the other transactions contemplated by the merger agreement by the affirmative vote of holders of at least a majority of the outstanding shares of MAA common stock and the affirmative vote of the holders of at least a majority of the outstanding Colonial common shares. In addition to the approvals by the shareholders of each of MAA and Colonial, there are a number of conditions that must be satisfied or waived for the mergers to be consummated. For a description of all of the conditions to the mergers, see The Merger Agreement Conditions to Completion of the Mergers beginning on page 105.

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Q: Will the rights of Colonial LP unitholders change as a result of the partnership merger?

A: As a result of the partnership merger, Colonial LP unitholders will become MAA LP unitholders. The merger agreement provides that at the effective time of the partnership merger, the amended and restated MAA LP limited partnership agreement will be the limited partnership agreement of MAA LP. The amended and restated MAA LP limited partnership agreement has terms that are substantially similar to those contained in Colonial LP s current partnership agreement. As a result, the rights of Colonial LP unitholders upon the closing of the partnership merger will be substantially similar to the current rights of Colonial LP unitholders, except that MAA LP is formed under the laws of the State of Tennessee, whereas Colonial LP is formed under the laws of the State of Delaware, and except for certain other changes. For more information regarding these differences in unitholder rights, see Description of the Amended and Restated MAA LP Limited Partnership Agreement and the MAA LP Units beginning on page 153 and Comparison of Unitholder Rights beginning on page 160.

Q: For existing MAA LP unitholders, are there any differences between the existing MAA LP limited partnership agreement and the amended and restated MAA LP limited partnership agreement?

A: Yes. There are important differences between the existing MAA LP limited partnership agreement and the amended and restated MAA LP limited partnership agreement, including, among others, those relating to the rights of the general partner to issue additional units, operating distributions, allocations of partnership income and loss, outside activities of the general partner, rights in the event of extraordinary transactions, transfers of partnership interests by the general partner, amendments to the partnership agreement and certain tax matters. Please see Comparison of Unitholder Rights beginning on page 160 for further information on these differences.

Q: When are the mergers expected to be completed?

A: MAA LP and Colonial LP expect to complete the mergers as soon as reasonably practicable following satisfaction of all of the required conditions. If each of MAA s shareholders, MAA LP s unitholders, Colonial s shareholders and Colonial LP s unitholders approve the respective mergers and related transactions, and if the other conditions to closing the mergers are satisfied or waived, it is expected that the mergers will be completed in the third quarter of 2013. However, there is no guarantee that the conditions to the mergers will be satisfied or that the mergers will close.

Q: What will happen if the mergers are not completed?

A: In the event that the mergers are not completed, the Colonial LP unitholders will remain as limited partners of Colonial LP (which will continue to be governed by the terms of the existing Colonial LP partnership agreement) and Colonial will remain the sole general partner of Colonial LP. In addition, the existing MAA LP limited partnership agreement will not be amended and restated even if the amended and restated MAA LP limited partnership agreement has been approved by the MAA LP unitholders.

Q: What are the anticipated U.S. federal income tax consequences to me of the proposed partnership merger?

A: If you are a U.S. Holder (as defined below) of Colonial LP units or MAA LP units, the partnership merger generally is not expected to cause you to recognize, for U.S. federal income tax purposes, taxable gain (or loss) unless you recognize taxable gain as a result of a reduction in your share of partnership liabilities that exceeds your adjusted tax basis in your Colonial LP or MAA LP units, respectively, at the time of the partnership merger. However, other circumstances present at the time of the partnership merger and/or subsequent events (including actions taken by you) could cause you to recognize taxable gain as a result of the partnership merger. The tax consequences of the partnership merger are very complicated and will vary for each of you according to your own circumstances. It is important that you consult with your own tax advisor in order to determine the tax consequences to you of the partnership merger.

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For a discussion of the U.S. federal income tax consequences of the partnership merger, please read the discussion under the heading Material U.S. Federal Income Tax Consequences beginning on page 115.

Q: Are MAA LP or Colonial LP unitholders entitled to dissenters rights?

A: No. MAA LP and Colonial LP unitholders are not entitled to exercise appraisal or dissenters rights in connection with the partnership merger or, in the case of MAA LP, the adoption of the amended and restated MAA LP limited partnership agreement.

Q: What do I need to do now?

A: After you have carefully read this joint consent solicitation/prospectus, please respond by completing, signing and dating the enclosed consent form and returning it in the enclosed preaddressed postage-paid envelope.

MAA LP Unitholders. If you are an MAA LP unitholder, you should indicate on your consent form whether or not you approve the merger agreement and the partnership merger and whether or not you approve the amended and restated MAA limited partnership agreement, sign and date the consent form and mail it in the appropriate preaddressed postage-paid envelope.

Colonial LP Unitholders. If you are a Colonial LP unitholder, you should indicate on your consent form whether or not you approve the merger agreement and the partnership merger, sign and date the consent form and mail it in the appropriate preaddressed postage-paid envelope.

If you are a Colonial LP unitholder and you sign and return your consent form and do not indicate whether you approve the merger agreement and the partnership merger, your approval will be deemed to have been given for the merger agreement and the partnership merger. If you are an MAA LP unitholder and you sign and return your consent form and do not indicate whether you approve the amended and restated MAA LP limited partnership agreement, your approval will be deemed to have been given to amend and restate the MAA LP limited partnership agreement.

Q: What is the deadline to submit my consent form?

A: The deadline for submitting your consent form is September 26, 2013. All consent forms must be received by that date. Your approval is important. You are encouraged to submit your consent form as promptly as possible.

Q: Can I change my decision whether to approve the merger agreement and partnership merger and, in the case of MAA LP unitholders, the amended and restated MAA LP limited partnership agreement, after I have delivered my consent form?

A: Yes. You may change your decision whether to approve the merger agreement and the partnership merger and, in the case of MAA LP unitholders, the amended and restated MAA LP limited partnership agreement, at any time prior to September 26, 2013 by sending a new consent form or other explicit written notice to the corporate Secretary of MAA, the general partner of MAA LP, or the corporate Secretary of Colonial, the general partner of Colonial LP, as applicable, in time to be received before September 26, 2013.

Q: Are there risks associated with the partnership merger in deciding whether to approve the partnership merger?

A: Yes. There are a number of risks related to the partnership merger described in the section entitled Risk Factors beginning on page 28.

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Q: What should I do if I am both a shareholder of MAA and a unitholder of MAA LP or both a shareholder of Colonial and a unitholder of Colonial LP?

A: If you are both a shareholder of MAA and a unitholder of MAA LP or both a shareholder of Colonial and a unitholder of Colonial LP, you should (1) complete, sign and date the consent form and return it to either MAA LP or Colonial LP, as applicable, in the appropriate preaddressed postage-paid envelope included with this joint consent solicitation/prospectus and (2) complete, sign and date the proxy card for MAA or Colonial, as applicable, and return the proxy card in the appropriate preaddressed postage-paid envelope or, if available, by submitting a proxy by one of the other methods specified in your proxy card or voting instruction card in the manner described in the separate MAA and Colonial joint consent solicitation/prospectus. Completing and returning the consent form will not constitute a proxy to vote your shares of MAA common stock or Colonial common shares, as the case may be, and therefore you need to separately submit a proxy for those shares in accordance with the instructions contained in MAA s and Colonial s joint consent solicitation/prospectus.

Q: Will there be a meeting of the MAA LP and/or the Colonial LP unitholders in connection with the partnership merger?

A: No. MAA LP and Colonial LP are soliciting the written consent of their respective unitholders to approve the merger agreement and the partnership merger, and in the case of MAA LP, the amended and restated MAA LP limited partnership agreement, and will not be holding a meeting of unitholders in connection with the partnership merger.

Q: Who can answer my questions?

A: If you have any questions about the partnership merger or the other matters described in this joint consent solicitation/prospectus or need additional copies of this joint consent solicitation/prospectus or the enclosed consent form, you should contact:

If you are an MAA LP unitholder:	If you are a Colonial LP unitholder:
Mid-America Apartments, L.P.	Colonial Realty Limited Partnership
c/o Mid-America Apartment Communities, Inc.	c/o Colonial Properties Trust
Attention: Investor Relations Department	Attention: Investor Relations
6584 Poplar Avenue	2101 Sixth Avenue North, Suite 750
Memphis, Tennessee 38138	Birmingham, Alabama 35203
Telephone: (901) 682-6600	Telephone: (800) 645-3917

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SUMMARY

The following summary highlights some of the information contained in this joint consent solicitation/prospectus. This summary may not contain all of the information that is important to you. For a more complete description of the merger agreement, the mergers and the other transactions contemplated by the merger agreement, we encourage you to read carefully this entire joint consent solicitation/prospectus, including the attached Annexes and the other documents to which we have referred you. See also Where You Can Find More Information beginning on page 182. We have included page references to direct you to a more complete description of the topics presented in this summary.

The Companies and the Partnerships

Mid-America Apartment Communities, Inc. and Mid-America Apartments, L.P. (See page 47)

MAA is a Tennessee corporation that has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, or the Code. MAA owns, acquires, renovates, develops and manages apartment communities in the Sunbelt region of the United States. As of June 30, 2013, MAA owned or owned interests in a total of 163 multifamily apartment communities comprising 49,017 apartments located in 13 states, including four communities comprising 1,156 apartments owned through MAA s joint venture, Mid-America Multifamily Fund II, LLC. MAA also had two development communities under construction totaling 564 units as of June 30, 2013. Four of MAA s properties include retail components with approximately 107,000 square feet of gross leasable area.

MAA s most significant asset is its ownership interest in Mid-America Apartments, L.P., or MAA LP, a Tennessee limited partnership. MAA LP and its subsidiaries conduct the operations of a substantial majority of MAA s business, hold a substantial majority of MAA s consolidated assets and generate a substantial majority of MAA s revenues. MAA is the sole general partner of MAA LP and, as of June 30, 2013, owned 40,141,197 common units of partnership interest, or approximately 95.9% of the outstanding partnership interests of MAA LP. Prior to the effective times of the mergers, MAA will contribute all of its assets, with the exception of its ownership interest in MAA LP and certain bank accounts held by MAA, to MAA LP, and as a result, MAA will be structured as a traditional umbrella partnership REIT, or UPREIT.

MAA common stock is listed on the NYSE, trading under the symbol MAA.

MAA was incorporated in the state of Tennessee in 1993, and MAA LP was formed in the state of Tennessee in 1993. MAA s principal executive offices are located at 6584 Poplar Avenue, Memphis, Tennessee 38138, and its telephone number is (901) 682-6600. MAA had 1,384 full-time employees and 62 part-time employees as of December 31, 2012.

Martha Merger Sub, LP

Martha Merger Sub, LP, or OP Merger Sub, an indirect wholly-owned subsidiary of MAA LP, is a Delaware limited partnership formed on May 30, 2013 for the purpose of effecting the partnership merger. Upon completion of the partnership merger, OP Merger Sub will be merged with and into Colonial LP, with Colonial LP surviving as an indirect wholly-owned subsidiary of MAA LP. OP Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

Colonial Properties Trust and Colonial Realty Limited Partnership (See page 47)

Colonial, originally formed as a Maryland REIT on July 9, 1993 and reorganized as an Alabama REIT under the Alabama REIT statute on August 21, 1995, is a self-administered REIT that has elected to be taxed as a

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REIT under the Code. Colonial is a multifamily-focused self-administered and self-managed equity REIT, which means that it is engaged in the acquisition, development, ownership, management and leasing of multifamily apartment communities and other commercial real estate properties. As of June 30, 2013, Colonial owned or maintained a partial ownership in a total of 115 multifamily apartment communities comprising 34,577 apartments located in 11 states. Additionally, Colonial has seven commercial properties with approximately 1,194,000 square feet of gross leasable area.

Colonial s only material asset is its ownership of limited partnership interests in Colonial Realty Limited Partnership, or Colonial LP, a Delaware limited partnership formed in 1993. Colonial LP and its subsidiaries conduct all of Colonial s business, hold all of Colonial s consolidated assets and generate all of Colonial s revenues. Colonial is the sole general partner of Colonial LP and, as of June 30, 2013, owned approximately 92.5% of the outstanding partnership interests of Colonial LP.

Colonial common shares are listed on the NYSE, trading under the symbol CLP.

Colonial s principal executive offices are located at 2101 Sixth Avenue North, Suite 750, Birmingham, Alabama 35203, and its telephone number is (205) 250-8700. Colonial had 911 employees as of December 31, 2012.

The Mergers

The Merger Agreement (See page 90)

MAA, MAA LP, OP Merger Sub, Colonial and Colonial LP have entered into the merger agreement attached as Annex A to this joint consent solicitation/prospectus, which is incorporated herein by reference. We encourage you to carefully read the merger agreement in its entirety because it is the principal document governing the partnership merger and the other transactions contemplated by the merger agreement.

The Mergers (See page 49)

Subject to the terms and conditions of the merger agreement, OP Merger Sub, a subsidiary of MAA LP, will, prior to the parent merger, merge with and into Colonial LP with Colonial LP continuing as the surviving entity and an indirectly wholly owned subsidiary of MAA LP, which is referred to herein as the partnership merger. The merger agreement also provides that Colonial will merge with and into MAA, with MAA surviving, which is referred to herein as the parent merger, and together with the partnership merger, are referred to herein as the mergers.

The Merger Consideration (See page 91)

In the partnership merger, each Colonial LP unit issued and outstanding immediately prior to the effective time of the partnership merger will be converted automatically into 0.360 MAA LP units. In the parent merger, each Colonial common share (other than shares with respect to which dissenters rights have been properly exercised and not withdrawn under applicable law) issued and outstanding immediately prior to the effective time of the parent merger will be converted into the right to receive 0.360 shares of MAA common stock. The exchange ratios are fixed and will not be adjusted for changes in the market value of MAA common stock, MAA LP units, Colonial common shares or Colonial LP units. Because of this, the implied value of the consideration to be received by Colonial shareholders and Colonial LP unitholders in the mergers will fluctuate between now and the completion of the mergers. Based on MAA s closing price of $67.97 per share on May 31, 2013, the last trading day before the announcement of the proposed mergers, the exchange ratio represented approximately $24.47 in MAA common stock or MAA LP units for each Colonial common share or Colonial LP unit. Based on MAA s closing price of $62.26 per share on August 20, 2013, the latest practicable trading day before the date of this joint consent solicitation/prospectus, the exchange ratio represented approximately $22.41 in MAA common stock or MAA LP units for each Colonial common share or Colonial LP unit.

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Voting Agreements (See page 112)

Concurrently with the execution of the merger agreement, Colonial and Colonial LP entered into separate Voting Agreements with H. Eric Bolton, Jr., MAA s Chairman and Chief Executive Officer, W. Reid Sanders, a member of the MAA Board, and another shareholder of MAA who is not a director or officer of MAA, and MAA and MAA LP entered into separate Voting Agreements with Thomas H. Lowder, James K. Lowder and Harold W. Ripps, each members of the Colonial Board. As of August 20, 2013, the MAA directors and shareholders who are a party to a Voting Agreement with Colonial and Colonial LP collectively owned approximately 0.36% of the outstanding shares of MAA common stock and approximately 37.37% of the MAA LP units, and the Colonial trustees who are a party to a Voting Agreement with MAA and MAA LP collectively owned approximately 3.9% of the outstanding Colonial common shares and approximately 3.5% of the outstanding Colonial LP units, including Colonial LP units held by Colonial.

Pursuant to the terms of the Voting Agreements, each of the shareholder parties thereto has agreed, subject to the terms and conditions contained in each Voting Agreement, to among other things, vote all of his shares of MAA common stock, Colonial common shares, MAA LP units and Colonial LP units, as applicable, whether currently owned or acquired at any time prior to the termination of the applicable Voting Agreement, in favor of the mergers and against any other Acquisition Proposal (as defined in The Merger Agreement Covenants and Agreements No Solicitation of Transactions on page 99) for MAA or Colonial, as applicable, any action or agreement that would reasonably be expected to result in any condition to the consummation of the mergers not being fulfilled, and any action that could reasonably be expected to impede or materially adversely affect consummation of the transactions contemplated by the merger agreement.

Each of the shareholder parties to the Voting Agreements has also agreed to comply with certain restrictions on the transfer of his shares and partnership interest units subject to the Voting Agreement. Each Voting Agreement entered into with MAA shareholders terminates upon the earliest to occur of: (1) the later to occur of (A) the approval and adoption of the merger agreement at the MAA special meeting, and (B) the approval of the merger agreement by the holders of limited partnership units in MAA LP; and (2) the termination of the merger agreement pursuant to its terms. Each Voting Agreement entered into with Colonial shareholders terminates upon the earliest to occur of: (1) the approval and adoption of the merger agreement at the Colonial special meeting; and (2) the termination of the merger agreement pursuant to its terms.

The foregoing summary of the Voting Agreements is subject to, and qualified in its entirety by reference to, the full text of each of the Voting Agreements. Copies of the Forms of Voting Agreement are attached as Annex C and Annex D to this joint consent solicitation/prospectus and are incorporated herein by reference. For more information see Voting Agreements beginning on page 112.

Consent of Holders of MAA LP Units Required

In order for MAA and MAA LP to complete the mergers, the holders of at least a majority of the outstanding MAA LP units, which excludes for purposes of the approval all partnership interests held by MAA, must approve the merger agreement and the partnership merger. By approving the merger agreement and the partnership merger, the MAA LP unitholders will also be waiving the provisions of Article 12 of the existing MAA LP limited partnership agreement with respect to the mergers. The merger agreement also provides that the amended and restated MAA LP limited partnership agreement will be the limited partnership agreement of MAA LP at the time of the partnership merger. The amended and restated MAA LP limited partnership agreement must be approved by the holders of at least 66 2/3rds of the outstanding MAA LP units, which excludes for purposes of the approval all partnership interests held by MAA.

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Consent of Holders of Colonial LP Units Required

Under Colonial LP s partnership agreement, the approval of the merger agreement and the partnership merger by Colonial LP s unitholders requires the approval of the holders of at least three-fourths of the outstanding Colonial LP units, including the Colonial LP units held by Colonial. Colonial is the holder of approximately 92.5% of the outstanding Colonial LP units. While Colonial has not yet approved the merger agreement and the partnership merger in its capacity as a holder of Colonial LP units, Colonial is a party to, and bound by the terms of, the merger agreement and it is expected that Colonial will deliver its written consent to approve the merger agreement and the partnership merger in such capacity.

Approval of the Merger Agreement and the Parent Merger by Colonial Common Shareholders and MAA Common Shareholders

By a separate joint proxy statement/prospectus, the MAA Board and the Colonial Board are soliciting the approval of the merger agreement and the parent merger from the respective common shareholders of MAA and Colonial. The joint proxy statement/prospectus also constitutes a prospectus of MAA with regard to the shares of MAA common stock to be issued in the parent merger. Approval and adoption of the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, will require the affirmative vote of the holders of at least a majority of the respective MAA and Colonial common shares outstanding as of the record date for their respective special meetings.

Summary of Risk Factors Related to the Mergers (See page 28)

You should consider carefully all of the risk factors together with all of the other information included in this joint consent solicitation/prospectus before deciding how to vote. The risks related to the mergers and the related transactions are described under the section Risk Factors Risk Factors Relating to the Mergers beginning on page 28.

The exchange ratios are fixed and will not be adjusted in the event of any change in the market values of either MAA common stock, Colonial common shares or Colonial LP units.

There is no public market for MAA LP units and none is expected to develop, which may cause some difficulty in selling any MAA LP units you receive in the partnership merger.

No fairness opinion was obtained by either MAA LP or Colonial LP in connection with the partnership merger.

The tax consequences of the partnership merger and the ownership of MAA LP units are complex. The tax consequences of the partnership merger may include the recognition, for U.S. federal income tax purposes, of taxable gain at the time of the partnership merger or as a result of subsequent events (including actions taken by you).

The parent merger and related transactions are subject to approval by shareholders of both MAA and Colonial and the partnership merger and the amendment and restatement of the limited partnership agreement of MAA LP are subject to approval by holders of MAA LP units.

If the mergers do not occur, one of the companies may incur payment obligations to the other.

Failure to complete the mergers could negatively affect the stock prices and future business and financial results of both MAA and Colonial.

The pendency of the mergers could adversely affect the business and operations of MAA and Colonial.

The merger agreement contains provisions that could discourage a potential competing acquirer of either MAA or Colonial or could result in any competing Acquisition Proposal being at a lower price than it might otherwise be.

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If the mergers are not consummated by December 31, 2013, either MAA or Colonial may terminate the merger agreement.

Some of the directors and executive officers of MAA and trustees and executive officers of Colonial have interests in seeing the mergers completed that are different from, or in addition to, those of the other MAA shareholders and MAA LP unitholders and Colonial shareholders and Colonial LP unitholders.

Directors and Management of MAA and MAA LP After the Mergers (See page 91)

MAA is currently the sole general partner of MAA LP and will continue to be the sole general partner of MAA LP following the partnership merger. Immediately following the effective time of the parent merger, the MAA Board will be increased to 12 members, with all seven of the current MAA directors, H. Eric Bolton, Jr., Alan B. Graf, Jr., Ralph Horn, Philip W. Norwood, W. Reid Sanders, William B. Sansom and Gary Shorb, continuing as directors of the Combined Corporation. Alan B. Graf, Jr. and Ralph Horn, Co-Lead Independent Directors for MAA, will serve as Co-Lead Independent Directors for the Combined Corporation. The MAA Board will fill the five newly created vacancies by immediately appointing to the MAA Board the five members designated by the Colonial Board, Thomas H. Lowder, James K. Lowder, Claude B. Nielsen, Harold W. Ripps and John W. Spiegel, which members are referred to herein as the Colonial designees, to serve until the 2014 annual meeting of MAA s shareholders (and until their successors have been duly elected and qualified). MAA has agreed that the Colonial designees will be nominated by the board of directors of the Combined Corporation for reelection at the 2014 and 2015 annual meetings of MAA s shareholders, in all cases subject to the satisfaction and compliance of such Colonial designees with MAA s then-current corporate governance guidelines and code of business conduct and ethics.

Certain of the executive officers of MAA immediately prior to the effective time of the mergers will continue as the executive officers of the Combined Corporation following the effective time of the mergers.

Interests of MAA s Directors and Executive Officers in the Mergers (See page 80)

In considering the recommendation of the MAA Board, as general partner of MAA LP, to approve the partnership merger and the other transactions contemplated by the merger agreement, MAA LP unitholders should be aware that certain executive officers and directors of MAA have certain interests in the mergers that may be different from, or in addition to, the interests of MAA shareholders and MAA LP unitholders generally. These interests may create potential conflicts of interest. The MAA Board was aware of those interests and considered them, among other matters, in reaching its decision to approve the merger agreement and the transactions contemplated thereby.

Interests of Colonial s Trustees and Executive Officers in the Mergers (See page 81)

In considering the determination of the Colonial Board, on behalf of Colonial in its capacity as the sole general partner of Colonial LP, to approve and adopt the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement, and the recommendation of Colonial that Colonial LP unitholders approve the merger agreement and the partnership merger, Colonial LP unitholders should be aware that executive officers and trustees of Colonial have certain interests in the mergers that may be different from, or in addition to, the interests of Colonial shareholders and Colonial LP unitholders generally. These interests may create potential conflicts of interest. The Colonial Board was aware of those interests and considered them, among other matters, in reaching its decision to approve and adopt, on behalf of Colonial in its capacity as the sole general partner of Colonial LP, the merger agreement, the partnership merger and the transactions contemplated by the merger agreement.

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No Dissenters Rights (See page 88)

MAA LP and Colonial unitholders are not entitled to exercise appraisal or dissenters rights in connection with the partnership merger or, in the case of MAA LP, the adoption of the amended and restated MAA LP limited partnership agreement.

Conditions to Completion of the Mergers (See page 105)

A number of conditions must be satisfied or waived, where legally permissible, before the mergers can be consummated. These include, among others:

- approval of the merger agreement, the parent merger and the other transactions contemplated by the merger agreement by MAA shareholders and Colonial shareholders;
- approval of the partnership merger and the amendment and restatement of the MAA LP limited partnership agreement by the holders of at least 66 2/3rds of the outstanding limited partnership interests of MAA LP, excluding for purposes of the approval all limited partnership interests held by MAA;
- a Form S-4 with respect to the parent merger will have been declared effective and no stop order suspending the effectiveness of such Form S-4 will have been issued and remain in effect and no proceeding to that effect shall have been commenced or threatened by the SEC and not withdrawn;
- the absence of any order or injunction issued by any governmental authority or other legal restraint or prohibition preventing the consummation of the mergers or the other transactions contemplated by the merger agreement;
- the shares of MAA common stock to be issued in connection with the parent merger will have been approved for listing on the NYSE, subject to official notice of issuance at or prior to the closing of the mergers;
- the transfer of certain assets held directly by MAA to MAA LP will have occurred; and
- certain third party consents and approvals being obtained and remaining in full force and effect, except where the failure to obtain the consent or approval would not be reasonably likely to have a material adverse effect on Colonial or MAA.

As of the date of this joint consent solicitation/prospectus, all of the third party consents and approvals required as a condition to the obligation of the parties to complete the mergers as described in the final bullet point above have been obtained and not rescinded.

We cannot give any assurance as to when or if all of the conditions to the consummation of the mergers will be satisfied or waived or that the mergers will occur.

For more information regarding the conditions to the consummation of the mergers and a complete list of such conditions, see The Merger Agreement Conditions to Completion of the Mergers beginning on page 105.

Regulatory Approvals Required for the Mergers (See page 87)

We are not aware of any material federal or state regulatory requirements that must be complied with, or approvals that must be obtained, in connection with the mergers or the other transactions contemplated by the merger agreement. See The Mergers Regulatory Approvals Required for the Mergers beginning on page 87.

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No Solicitation and Change in Recommendation (See page 99)

Under the merger agreement, each of MAA and Colonial has agreed it will not, nor will it permit any of its subsidiaries to, authorize or permit any of its officers, trustees, directors or employees, and will use its reasonable best efforts to cause its and its subsidiaries representatives not to, directly or indirectly, (i) initiate, solicit or knowingly encourage or knowingly facilitate any inquiries or the making of any proposal or offer by or with a third party with respect to an Acquisition Proposal (as defined in The Merger Agreement Covenants and Agreements No Solicitation of Transactions on page 99), (ii) engage in any negotiations concerning, or provide any confidential information or data to any person relating to an Acquisition Proposal, or knowingly facilitate any effort or attempt to make or implement an Acquisition Proposal, (iii) approve or execute or enter into any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to any Acquisition Proposal, or (iv) propose publicly or agree to do any of the foregoing.

However, prior to the approval of the parent merger and the other transactions contemplated by the merger agreement by their respective shareholders, each of MAA and Colonial may, under certain specified circumstances, engage in discussions or negotiations with and provide nonpublic information regarding itself to a third party making an unsolicited, bona fide written competing Acquisition Proposal. Under the merger agreement, Colonial is required to notify MAA promptly, and MAA is required to notify Colonial promptly, if it receives any Acquisition Proposal or inquiry or any request for nonpublic information in connection with an Acquisition Proposal.

Before the approval of the mergers and the other transactions contemplated by the merger agreement by their respective shareholders, each of the MAA Board and the Colonial Board may, under certain specified circumstances, withdraw its recommendation to its shareholders with respect to the merger if it determines in good faith, after consultation with outside legal counsel, that failure to take such action would be inconsistent with the directors or trustees , as applicable, duties under applicable law. For more information regarding the limitations on MAA, the MAA Board, Colonial and the Colonial Board to consider other Acquisition Proposals, see The Merger Agreement Covenants and Agreements No Solicitation of Transactions beginning on page 99.

Termination of the Merger Agreement (See page 107)

The merger agreement may be terminated at any time before the effective time of the partnership merger by the mutual consent of MAA and Colonial in a written instrument, which action must be taken or authorized by the MAA Board and the Colonial Board.

In addition, either MAA or Colonial (so long as they are not at fault) may decide to terminate the merger agreement if (provided such action must be taken or authorized by the MAA Board or the Colonial Board, as applicable):

- a governmental authority of competent jurisdiction has issued an order, decree or ruling or taken any other action permanently enjoining or otherwise prohibiting the mergers, and such order, decree, ruling or other action has become final and nonappealable (provided that this termination right will not be available to a party whose failure to comply with any provision of the merger agreement was the cause of, or resulted in, such action);

- the mergers have not been consummated on or before 5:00 p.m. (New York time) December 31, 2013 (provided that this termination right will not be available to a party whose failure to comply with any provision of the merger agreement has been the cause of, or resulted in, the failure of the mergers to occur on or before such date);

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there has been a breach by the other party of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of such other party, which breach, either individually or in the aggregate, would result in, if occurring or continuing on the closing date, the failure to be satisfied of certain closing conditions, unless such breach is reasonably capable of being cured, and the other party continues to use its reasonable best efforts to cure such breach prior to December 31, 2013 (provided that this termination right will not be available to a party that is in breach of any of its own respective representations, warranties, covenants or agreements set forth in the merger agreement such that certain closing conditions are not satisfied);

shareholders of either MAA or Colonial fail to approve the parent merger and the other transactions contemplated by the merger agreement at the duly convened MAA special meeting or Colonial special meeting, as applicable (provided that this termination right will not be available to a party if the failure to obtain that party s shareholder approval was primarily due to that party s material breach of certain provisions of the merger agreement); or

holders of at least 66 $^{2}/_{3}$rds of the outstanding limited partnership interests of MAA LP, excluding for purposes of the approval all limited partnership interests held by MAA, fail to approve the partnership merger, the other transactions contemplated by the merger agreement and the amendment and restatement of the MAA LP limited partnership agreement prior to, or contemporaneously with, the MAA special meeting (provided that this termination right will not be available to MAA where a failure to obtain the approval of holders of limited partnership units in MAA LP was primarily caused by any action or failure to act of an MAA party that constitutes a material breach of the merger agreement).

MAA may also decide to terminate the merger agreement if:

at any time prior to the approval of the parent merger and the other transactions contemplated by the merger agreement by the MAA shareholders, in order to enter into any alternative acquisition agreement with respect to a Superior Proposal (as defined below in The Merger Agreement Covenants and Agreements No Solicitation of Transactions); provided, that such termination will be null and void unless MAA concurrently pays the termination fee plus the expense reimbursement described below under Termination Fee and Expenses Payable by MAA to Colonial ; or

(i) the Colonial Board has made a Colonial board change in recommendation and MAA terminates the merger agreement within 10 business days of the date MAA receives notice of the change, or (ii) the Colonial parties have materially breached any of their obligations under the provisions of the merger agreement regarding no solicitation of transactions by the Colonial parties (other than any immaterial or inadvertent breaches thereof not intended to result in an Acquisition Proposal).

Colonial has reciprocal termination rights with respect to the merger agreement as MAA described above.

For more information regarding the rights of MAA and Colonial to terminate the merger agreement, see The Merger Agreement Termination of the Merger Agreement beginning on page 107.

Termination Fee and Expenses (See page 109)

Generally, all fees and expenses incurred in connection with the mergers and the transactions contemplated by the merger agreement will be paid by the party incurring those fees and expenses. However, if the merger agreement is terminated because either party fails to obtain the approval of its shareholders, among other reasons, such party will be required to pay the other party reasonable documented out-of-pocket expenses actually incurred up to a maximum of $10 million. In certain other circumstances, either MAA or Colonial may be obligated to pay the other a termination fee of $75 million plus reasonable documented out-of-pocket expenses actually incurred up to a maximum of $10 million.

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For more information regarding the termination fee and expense reimbursement, see The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by Colonial to MAA beginning on page 109 and The Merger Agreement Termination of the Agreement Termination Fee and Expenses Payable by MAA to Colonial beginning on page 109.

Litigation Relating to the Mergers (See page 88)

On June 19, 2013, a putative class action lawsuit was filed in the Circuit Court for Jefferson County, Alabama against Colonial and purportedly on behalf of a proposed class of all Colonial shareholders captioned *Williams v. Colonial Properties Trust, et al*. (the State Litigation). A derivative claim purportedly on behalf of Colonial was also asserted in the State Litigation. The complaint names as defendants Colonial, the members of the Colonial board of trustees, Colonial LP, MAA, MAA LP and OP Merger Sub and alleges that the Colonial trustees breached their fiduciary duties by engaging in an unfair process leading to the merger agreement, failing to secure and obtain the best price reasonable for Colonial shareholders, allowing preclusive deal protection devices in the merger agreement, and by engaging in conflicted actions. The complaint alleges that Colonial LP, MAA, MAA LP and OP Merger Sub aided and abetted those breaches of fiduciary duties. The complaint seeks a declaration that the defendants have breached their fiduciary duties or aided and abetted such breaches and that the merger agreement is unlawful and unenforceable, an order enjoining the consummation of the mergers, direction of the Colonial trustees to exercise their fiduciary duties to obtain a transaction that is in the best interests of Colonial, rescission of the mergers in the event they are consummated, an award of costs and disbursements, including reasonable attorneys and experts fees, and other relief.

On July 2, 2013, plaintiff moved for expedited fact discovery and for an expedited schedule for filing and hearing a preliminary motion to enjoin the mergers; on July 11, 2013, defendants opposed those motions and moved to stay fact discovery. On July 11, 2013, defendants also moved to dismiss the complaint for failure to state a claim upon which relief can be granted on the grounds that: (1) the claims against the Colonial trustees are derivative and not direct, and plaintiff did not comply with Alabama law on serving notice of the claims on Colonial prior to filing; and (2) Alabama law does not recognize a cause of action in aiding and abetting a breach of fiduciary duty and, even if it did, such claims would also be derivative and not direct. The Court scheduled a motions hearing for August 8, 2013, which was continued on the request of the parties to the State Litigation to August 14, 2013 to facilitate settlement discussions. In the meantime, on August 2, 2013, plaintiff filed an amended complaint that re-asserted plaintiff s earlier claims and added a new claim that the Colonial trustees breached their alleged duty of candor by not providing Colonial shareholders full and complete disclosures regarding the merger.

On August 14, 2013, prior to the Court s scheduled hearing, the parties to the State Litigation reached an agreement in principle to settle the State Litigation, in which (a) defendants agreed to make certain additional disclosures in this joint proxy statement/prospectus, and (b) the parties agreed that they would use their best efforts to agree upon, execute and present to the Court a stipulation of settlement which would, among other things, (i) provide for the conditional certification of a non-opt out settlement class pursuant to Alabama Rules of Civil Procedure 23(b)(1) and (b)(2) consisting generally of all record and beneficial holders of the common stock of Colonial from June 3, 2013 through and including the date of the closing of the parent merger (the Settlement Class); (ii) release all claims that members of the Settlement Class may have that were alleged in the State Litigation or otherwise arising out of or relating in any manner to the parent merger (except Colonial shareholders statutory dissenters rights), and (iii) dismiss the State Litigation with prejudice. The proposed settlement also provides that the defendants will not oppose a request to the Court by plaintiff s counsel for attorney s fees up to an immaterial amount agreed to by the parties and is subject to, among other things, confirmatory discovery, agreement to a stipulation of settlement, and final court approval following notice to the Settlement Class. The parties reported the proposed settlement to the Court on August 14, 2013, and the Court ordered a stay of all proceedings (except those related to settlement). Colonial and MAA management believe that the allegations in the amended complaint are without merit and that the disclosures made prior to the

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settlement are adequate under the law but wish to settle the State Litigation in order to avoid the cost and distraction of further litigation. In the event that the stipulation of settlement is not approved by the Court, the defendants intend to vigorously defend the State Litigation.

On August 20, 2013, a purported Colonial shareholder filed an individual lawsuit in the United States District Court for the Northern District of Alabama against Colonial captioned *Kempen v. Colonial Properties Trust, et al.* (the Federal Litigation). The complaint names as defendants Colonial, the members of the Colonial board of trustees, Colonial LP, MAA, MAA LP and OP Merger Sub, and alleges that all defendants violated Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder because the joint proxy statement/prospectus included in the registration statement on Form S-4 filed with the SEC on July 19, 2013 is allegedly materially misleading, depriving plaintiff of making a fully informed decision regarding his vote on the parent merger. The complaint alleges that defendants misrepresented or omitted material facts concerning Colonial s projections, the financial analyses of Colonial s financial advisor, conflicts of interest affecting defendants and Colonial s financial advisor, and the process employed by the Colonial trustees leading up to the decision to approve and recommend the parent merger. Plaintiff seeks an order enjoining the consummation of the mergers, rescission of the mergers in the event they are consummated or awarding Plaintiff rescissory damages, and an award of costs and disbursements, including reasonable attorneys and experts fees. Colonial and MAA management believe that the allegations in the complaint are without merit and intend to vigorously defend the Federal Litigation.

Material U.S. Federal Income Tax Consequences of the Partnership Merger (See page 115)

A Colonial LP unitholder that is a U.S. Holder (as defined below) generally will not recognize taxable gain or loss for U.S. federal income tax purposes at the time of and as a result of the partnership merger so long as the unitholder:

- is not deemed to receive a cash distribution (including for this purpose any deemed cash distribution resulting from relief from liabilities, including as a result of repayment of indebtedness or as a result of net reduction in its allocable share of partnership liabilities) in excess of such unitholder s adjusted basis in its Colonial LP units at the partnership merger effective time;

- is not required to recognize gain because of the partnership merger being treated as part of a disguised sale (either by such unitholder or by Colonial LP) under Section 707(a) of the Code;

- does not have its at risk amount with respect to any activity fall below zero as a result of the partnership merger and parent merger; and

- does not exercise its redemption right under the amended and restated MAA LP limited partnership agreement with respect to MAA LP units received in the partnership merger on a date sooner than the date that is two years after the date on which the partnership merger effective time occurs.

A MAA LP unitholder that is a U.S. Holder (as defined below) generally will not recognize taxable gain or loss for U.S. federal income tax purposes at the time of and as a result of the partnership merger so long as the unitholder:

- is not deemed to receive a cash distribution (including for this purpose any deemed cash distribution resulting from relief from liabilities, including as a result of repayment of indebtedness or as a result of net reduction in its allocable share of partnership liabilities) in excess of such unitholder s adjusted basis in its MAA LP units at the partnership merger effective time;

- is not deemed to both receive a cash distribution and undergo a reduction in unitholder s share of certain ordinary income assets of MAA LP, if any; and

does not have its at risk amount with respect to any activity fall below zero as a result of the partnership merger and the parent merger.

Whether and the extent to which a Colonial LP unitholder or an MAA LP unitholder will undergo a reduction in its share of partnership liabilities will depend on a number of variables. In addition, future events may cause a Colonial LP unitholder or an MAA LP unitholder to recognize all part of its gain that was otherwise

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deferred at the time of the partnership merger. Although the partnership merger generally is intended to permit U.S. Holders (as defined below) of Colonial LP units and MAA LP units to defer the taxable gain that they otherwise would recognize in a fully taxable transaction, the Internal Revenue Service might contend that the partnership merger or subsequent events caused Colonial LP unitholders or MAA LP unitholders to have recognized some or all of such otherwise deferred gain. For a further discussion of these and other U.S. federal income tax consequences of the partnership merger, please read the discussion under the heading Material U.S. Federal Income Tax Consequences. The tax consequences of the partnership merger and the ownership of MAA LP units are very complex. Colonial LP s unitholders and MAA LP s unitholders should also consult their own tax advisors as to the U.S. federal income tax consequences of the partnership merger, as well as the effects of other U.S. federal, and state, local and non-U.S. tax laws.

Accounting Treatment of the Partnership Merger (See page 87)

MAA prepares its financial statements in accordance with accounting principles generally accepted in the United States, which we refer to as GAAP. The partnership merger will be accounted for by applying the acquisition method. See The Mergers Accounting Treatment.

Comparison of Rights of Unitholders of MAA LP and Unitholders of Colonial LP (See page 160)

If the mergers are consummated, unitholders of Colonial LP will become unitholders of MAA LP. The rights of Colonial LP unitholders are currently governed by and subject to the provisions of the Delaware Revised Uniform Limited Partnership Act, and the fourth amended and restated agreement of limited partnership of Colonial LP. The rights of MAA LP unitholders are currently governed by and subject to the provisions of the Tennessee Revised Uniform Limited Partnership Act, and the second amended and restated agreement of limited partnership of MAA LP, or the existing MAA LP partnership agreement. In connection with and as a condition to the closing of the mergers, MAA LP will be adopting a third amended and restated agreement of limited partnership on terms substantially similar to those contained in Colonial LP s current partnership agreement and otherwise in all material respects in the form attached to this joint consent solicitation/prospectus as Annex B. As a result, the rights of Colonial LP unitholders upon the closing as MAA LP unitholders will be substantially similar to their current rights as Colonial LP unitholders, except that MAA LP is formed under the laws of the State of Tennessee, whereas Colonial LP is formed under the laws of the State of Delaware. Some of the rights of MAA LP unitholders will change in connection with the mergers because MAA LP will be governed by the amended and restated MAA LP limited partnership agreement upon the closing.

For more information regarding the amended and restated MAA LP limited partnership agreement and for a summary of the material differences between the existing MAA LP partnership agreement and the amended and restated MAA LP limited partnership agreement, see Description of the Amended and Restated MAA LP Limited Partnership Agreement and the MAA LP Units beginning on page 153 and Comparison of Unitholder Rights beginning on page 160.

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Selected Historical Financial Information of MAA

The following table sets forth selected consolidated financial information for MAA. The selected statement of income data for each of the years in the five-year period ended December 31, 2012 and the selected balance sheet data as of December 31 for each of the years in the five-year period ended December 31, 2012 have been derived from MAA s audited consolidated financial statements incorporated herein by reference. The selected statement of income data for the six months ended June 30, 2013 and 2012 and the selected balance sheet data as of June 30, 2013 have been derived from MAA s unaudited consolidated financial statements that are incorporated herein by reference. This following information should be read together with MAA s historical consolidated financial statements and notes thereto and the sections titled Management s Discussion and Analysis of Financial Condition and Results of Operations included in MAA s Annual Report on Form 10-K for the year ended December 31, 2012 and MAA s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, each of which is incorporated by reference into this joint consent solicitation/prospectus. See Where You Can Find More Information beginning on page 182.

Mid-America Apartment Communities, Inc.

Selected Financial Data

(Dollars in thousands except per share data)

	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
Operating Data:							
Total operating revenues	$ 264,356	$ 232,315	$ 497,165	$ 430,806	$ 380,138	$ 357,093	$ 348,644
Expenses:							
Property operating expenses	105,149	95,702	203,326	182,577	163,588	149,516	144,866
Depreciation and amortization	65,406	59,228	126,136	110,870	98,384	90,464	84,706
Acquisition expenses	499	231	1,581	3,319	2,512	950	
Merger Related expenses	5,737						
Property management and general and administrative expenses	17,405	17,933	35,846	38,823	30,389	28,540	28,636
Income from continuing operations before non-operating items	70,160	59,221	130,276	95,217	85,265	87,623	90,436
Interest and other non-property income	70	254	430	802	903	385	509
Interest expense	(30,906)	(28,058)	(58,751)	(57,415)	(54,632)	(55,412)	(58,497)
(Loss) gain on debt extinguishment	(169)	5	(654)	(755)		(140)	(116)
Amortization of deferred financing costs	(1,607)	(1,640)	(3,552)	(2,902)	(2,627)	(2,374)	(2,307)
Net casualty gains (loss) and other settlement proceeds	455	(2)	(6)	(619)	314	34	(117)
Gains on sale of non-depreciable and non-real estate assets		(3)	45	1,084		15	(3)
Gains on properties contributed to joint ventures					752		
Income from continuing operations before investments in real estate joint ventures	38,003	29,777	67,788	35,412	29,975	30,131	29,905
Gain (loss) from real estate joint ventures	101	(98)	(223)	(593)	(1,149)	(816)	(844)
Income from continuing operations	38,104	29,679	67,565	34,819	28,826	29,315	29,061
Discontinued operations:							
Income from discontinued operations before gain (loss) on sale	1,808	2,479	625	3,613	2,051	5,257	3,130
Gains (loss) on sale of discontinued operations	43,121	22,382	41,635	12,799	(2)	4,649	(120)
Consolidated net income	83,033	54,540	109,825	51,231	30,875	39,221	32,071
Net income attributable to noncontrolling interests	(2,764)	(2,490)	(4,602)	(2,410)	(1,114)	(2,010)	(1,822)

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	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
Net income attributable to Mid-America Apartment Communities, Inc.[1]	80,269	52,050	105,223	48,821	29,761	37,211	30,249
Preferred dividend distributions					6,549	12,865	12,865
Premiums and original issuance costs associated with the redemption of preferred stock					5,149		
Net income available for common shareholders	$ 80,269	$ 52,050	$ 105,223	$ 48,821	$ 18,063	$ 24,346	$ 17,384
Per Share Data:							
Weighted average shares outstanding (in thousands):							
Basic	42,523	40,243	41,039	36,995	31,856	28,341	26,943
Effect of dilutive stock options and partnership units[5]	1,771	1,982	1,898	2,092	121	76	141
Diluted	44,294	42,225	42,937	39,087	31,977	28,417	27,084
Income from continuing operations, adjusted	$ 36,661	$ 28,324	$ 64,761	$ 33,059	$ 15,754	$ 14,641	$ 14,556
Income from discontinued operations, adjusted	43,534	23,675	40,437	15,521	2,301	9,504	2,646
Net income attributable to common shareholders, adjusted	$ 80,195	$ 51,999	$ 105,198	$ 48,580	$ 18,055	$ 24,145	$ 17,202
Earnings per share basic:							
Income from continuing operations available for common shareholders	$ 0.86	$ 0.70	$ 1.58	$ 0.90	$ 0.50	$ 0.51	$ 0.54
Discontinued property operations	1.02	0.59	0.98	0.42	0.07	0.34	0.10
Net income available for common shareholders	$ 1.88	$ 1.29	$ 2.56	$ 1.32	$ 0.57	$ 0.85	$ 0.64
Earnings per share diluted:							
Income from continuing operations available for common shareholders	$ 0.86	$ 0.70	$ 1.57	$ 0.89	$ 0.49	$ 0.52	$ 0.54
Discontinued property operations	1.01	0.59	0.99	0.42	0.07	0.33	0.10
Net income available for common shareholders	$ 1.87	$ 1.29	$ 2.56	$ 1.31	$ 0.56	$ 0.85	$ 0.64
Dividends declared[1]	$ 1.3900	$ 1.3200	$ 2.6750	$ 2.5425	$ 2.4725	$ 2.4600	$ 2.4600
Balance Sheet Data:							
Real estate owned, at cost	$ 3,812,195	$ 3,522,783	$ 3,734,544	$ 3,396,934	$ 2,958,765	$ 2,707,300	$ 2,529,522
Real estate assets, net	$ 2,746,897	$ 2,519,706	$ 2,694,071	$ 2,423,808	$ 2,084,863	$ 1,933,863	$ 1,850,175
Total assets	$ 2,834,217	$ 2,599,088	$ 2,751,068	$ 2,530,468	$ 2,176,048	$ 1,986,826	$ 1,921,955
Total debt	$ 1,691,541	$ 1,589,421	$ 1,673,848	$ 1,649,755	$ 1,500,193	$ 1,399,596	$ 1,323,056
Noncontrolling interest	$ 31,500	$ 26,576	$ 31,058	$ 25,131	$ 22,125	$ 22,660	$ 25,648
Total Mid-America Apartment Communities, Inc. shareholders equity and redeemable stock	$ 985,818	$ 844,084	$ 918,765	$ 722,368	$ 522,267	$ 433,368	$ 418,774
Other Data (at end of period):							
Market capitalization (shares and units)[2]	$ 3,011,956	$ 2,926,516	$ 2,852,113	$ 2,558,107	$ 2,353,115	$ 1,671,036	$ 1,293,145
Ratio of total debt to total capitalization[3]	36.0%	35.2%	37.0%	39.2%	38.9%	45.6%	50.6%
Number of properties, including joint venture ownership interest[4]	164	168	166	167	157	147	145
Number of apartment units, including joint venture ownership interest[4]	49,113	49,002	49,591	49,133	46,310	43,604	42,554

(1) Beginning in 2006, at their regularly scheduled meetings, the Board of Directors began routinely declaring dividends for payment in the following quarter. This can result in dividends declared during a calendar year being different from dividends paid during a calendar year.

(2) Market capitalization includes all series of preferred shares (value based on $25 per share liquidation preference) and common shares, regardless of classification on balance sheet, as well as partnership units (value based on common stock equivalency).
(3) Total capitalization is market capitalization plus total debt.
(4) Property and apartment unit totals have not been adjusted to exclude properties held for sale.
(5) See EPS note in Part 8. Financial Statements and Supplementary Data Notes to Consolidated Financial Statements, Note 1 of the Form 10-K incorporated by reference.

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Selected Historical Financial Information of MAA LP

The following table sets forth selected consolidated financial information for MAA LP. The selected historical consolidated financial data of MAA LP as of December 31, 2012 and 2011 and for each of the fiscal years ended December 31, 2012, 2011 and 2010 have been derived from MAA LP s historical audited consolidated financial statements, which are included in Annex E to this joint consent solicitation/prospectus. The selected historical consolidated financial data of MAA LP as of December 31, 2010, 2009 and 2008 and for each of the fiscal years ended December 31, 2009 and 2008 were derived from MAA LP s historical unaudited consolidated financial statements, which are not included in this joint consent solicitation/prospectus. The selected statement of income data for the six months ended June 30, 2013 and 2012 and the selected balance sheet data as of June 30, 2013 have been derived from MAA s unaudited consolidated financial statements, which are included in Annex F to this joint consent solicitation/prospectus. The following information should be read together with MAA LP s historical consolidated financial statements and notes thereto and the sections titled Management s Discussion and Analysis of Financial Condition and Results of Operations, each of which is included in Annex E and Annex F to this joint consent solicitation/prospectus.

Mid-America Apartments L.P.

Selected Financial Data

(Dollars in thousands except per unit data)

	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
Operating Data:							
Total operating revenues	$ 238,831	$ 208,966	$ 446,549	$ 385,620	$ 336,918	$ 315,722	$ 307,885
Expenses:							
Property operating expenses	95,082	86,265	183,058	164,354	146,009	133,550	129,546
Depreciation and amortization	59,506	53,572	114,139	100,648	88,651	81,062	75,988
Acquisition expenses	499	409	2,236	3,319	2,035	950	
Merger related expenses	5,737						
Property management and general and administrative expenses	14,360	15,730	31,240	32,924	27,157	25,230	25,779
Income from continuing operations before non-operating items	63,647	52,990	115,876	84,375	73,066	74,930	76,572
Interest and other non-property income	13	198	318	689	789	269	419
Interest expense	(28,190)	(25,253)	(52,249)	(51,202)	(53,803)	(53,510)	(51,650)
Loss (gain) on debt extinguishment	(62)	5	(654)	(754)		(140)	(116)
Amortization of deferred financing costs	(1,528)	(1,409)	(3,097)	(2,598)	(2,300)	(2,079)	(2,023)
Net casualty gains (loss) and other settlement proceeds	454	(9)	(13)	(475)	48	(400)	(653)
Gains on sale of non-depreciable and non-real estate assets		(3)	45	1,084		15	(3)
Gains on properties contributed to joint ventures					752		
Income from continuing operations before investments in real estate joint ventures	34,334	26,519	60,226	31,119	18,552	19,085	22,546
Gain (loss) from real estate joint ventures	102	(100)	(223)	(593)	(1,149)	(816)	(844)
Income from continuing operations	34,436	26,419	60,003	30,526	17,403	18,269	21,702
Discontinued operations:							
Income from discontinued operations before gain (loss) on sale	1,409	2,104	625	3,613	2,051	5,255	3,129
Gains (loss) on sale of discontinued operations	31,780	22,382	41,635	12,799	(2)	4,649	(120)
Consolidated net income	67,625	50,905	102,263	46,938	19,452	28,173	24,711
Net income attributable to noncontrolling interests	(319)	(283)	(3,525)	(421)	(473)	(451)	(461)
Net income attributable to Mid-America Apartments L.P.[(1)]	67,306	50,622	98,738	46,517	18,979	27,722	24,250
Preferred dividend distributions					6,549	12,865	12,865
Premiums and original issuance costs associated with the redemption of preferred stock					5,149		

Net income available for common unitholders	$ 67,306	$ 50,622	$ 98,738	$ 46,517	$ 7,281	$ 14,857	$ 11,385

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	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
Per unit Data:							
Weighted average units outstanding (in thousands):							
Basic and diluted	41,679	39,763	40,412	37,280	32,502	29,156	27,826
Income from continuing operations, adjusted	$ 34,274	$ 26,272	$ 60,003	$ 30,526	$ 17,403	$ 18,269	$ 21,702
Income from discontinued operations, adjusted	33,032	24,350	42,260	16,412	2,049	9,904	3,009
Income available for preferred unitholders					11,698	12,865	12,865
Income attributable to noncontrolling interests	319	283	3,525	421	473	451	461
Net income attributable to common unitholders, adjusted	$ 66,987	$ 50,339	$ 98,738	$ 46,517	$ 7,281	$ 14,857	$ 11,385
Earnings per unit basic and diluted:							
Income from continuing operations available for common unitholders	$ 0.82	$ 0.66	$ 1.43	$ 0.81	$ 0.16	$ 0.18	$ 0.30
Discontinued property operations	0.79	0.61	1.01	0.44	0.06	0.33	0.11
Net income available for common unitholders	$ 1.61	$ 1.27	$ 2.44	$ 1.25	$ 0.22	$ 0.51	$ 0.41
Dividends declared[1]	$ 1.3900	$ 1.3200	$ 2.6750	$ 2.5425	$ 2.4725	$ 2.4600	$ 2.4600
Balance Sheet Data:							
Real estate owned, at cost	$ 3,476,948	$ 3,191,751	$ 3,389,849	$ 3,075,482	$ 2,688,814	$ 2,438,787	$ 2,277,657
Real estate assets, net	$ 2,535,921	$ 2,309,117	$ 2,475,808	$ 2,217,206	$ 1,919,748	$ 1,760,847	$ 1,673,800
Total assets	$ 2,620,720	$ 2,385,987	$ 2,529,871	$ 2,321,535	$ 2,008,392	$ 1,813,250	$ 1,744,464
Total debt	$ 1,671,442	$ 1,569,186	$ 1,653,646	$ 1,629,520	$ 1,479,958	$ 1,379,361	$ 1,302,821
Noncontrolling interest	$ 15,136	$ 13,640	$ 14,811	$ 13,362	$ 12,958	$ 12,505	$ 12,075
Total Mid-America Apartments L.P. shareholders equity and redeemable stock	$ 770,471	$ 639,853	$ 715,121	$ 532,810	$ 371,199	$ 289,871	$ 285,382
Other Data (at end of period):							
Number of properties, including joint venture ownership interest[4]	150	153	151	153	144	134	132
Number of apartment units, including joint venture ownership interest[4]	44,219	43,978	44,441	44,295	41,720	39,014	37,964

(1) Beginning in 2006, at their regularly scheduled meetings, the Board of Directors began routinely declaring dividends for payment in the following quarter. This can result in dividends declared during a calendar year being different from dividends paid during a calendar year.

(2) Market capitalization includes all series of preferred shares (value based on $25 per share liquidation preference) and common shares, regardless of classification on balance sheet, as well as partnership units (value based on common stock equivalency).

(3) Total capitalization is market capitalization plus total debt.

(4) Property and apartment unit totals have not been adjusted to exclude properties held for sale.

(5) See EPS note in Part 8. Financial Statements and Supplementary Data Notes to Consolidated Financial Statements, Note 1 of the Form 10-K incorporated by reference.

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Selected Historical Financial Information of Colonial LP

The following table sets forth selected consolidated financial information for Colonial LP. The selected historical income statement data for each of the fiscal years ended December 31, 2012, 2011 and 2010 and the selected balance sheet data as of December 31, 2012 and 2011 have been derived from Colonial LP s consolidated financial statements, which are included in Annex H to this joint consent solicitation/prospectus. The selected income statement data for each of the fiscal years ended December 31, 2009 and 2008 and the selected balance sheet data as of December 31, 2010, 2009 and 2008 have been derived from Colonial LP s historical audited financial statements, which are not included in this joint consent solicitation/prospectus. The selected income statement data for the six months ended June 30, 2013 and 2012 and the selected balance sheet data as of June 30, 2013 have been derived from Colonial LP s unaudited consolidated financial statements for such period, which are included in Annex I to this joint consent solicitation/prospectus. The following information should be read together with Colonial LP s historical consolidated financial statements and notes thereto and the sections titled Management s Discussion and Analysis of Financial Condition and Results of Operations, each of which is included in Annex H and Annex I to this joint consent solicitation/prospectus.

	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(dollars in thousands, except where indicated and except per share data)						
OPERATING DATA[1]							
Total revenues	$ 200,162	$ 178,599	$ 368,847	$ 329,626	$ 301,707	$ 296,866	$ 309,043
Expenses:							
Depreciation and amortization	62,653	57,696	117,004	111,776	102,993	100,798	92,835
Impairment, legal contingencies and other losses[2]	1,002	895	22,762	5,736	1,308	10,324	93,116
Other operating	98,748	90,397	188,392	169,262	158,890	159,222	169,245
Income (loss) from operations	37,759	29,611	40,689	42,852	38,516	26,522	(46,153)
Interest expense	43,194	46,330	92,085	86,573	83,091	86,177	72,531
Debt cost amortization	2,759	2,835	5,697	4,767	4,618	4,941	5,019
Interest income	930	1,550	2,468	1,337	1,289	1,424	2,774
Gain (loss) on sale of property	25	(235)	(4,305)	115	(1,504)	10,103	6,467
Gain on retirement of debt					1,044	56,427	15,951
Other income, net[4]	2,543	17,412	26,810	16,625	1,969	7,176	12,080
(Loss) income from continuing operations	(4,696)	(827)	(32,120)	(30,411)	(46,395)	10,534	(86,431)
Income from discontinued operations[2]	28,677	7,948	36,840	36,590	7,852	4,644	35,908
Distributions to preferred unitholders				(3,586)	(12,810)	(15,392)	(16,024)
Preferred unit repurchase gains				2,500	3,000		
Preferred unit issuance costs write-off				(1,319)	(4,868)	25	(27)
Net income (loss) available to common unitholders[2]	$ 23,436	$ 7,104	$ 4,677	$ 3,721	$ (53,122)	$ (591)	$ (66,654)
Income (loss) per unit basic:							
Continuing Operations	$ (0.06)	$ (0.02)	$ (0.34)	$ (0.36)	$ (0.77)	$ (0.14)	$ (1.83)
Discontinued Operations	0.30	0.09	0.39	0.40	0.10	0.13	0.64
Net income (loss) per unit basic[3]	$ 0.24	$ 0.07	$ 0.05	$ 0.04	$ (0.67)	$ (0.01)	$ (1.19)
Income (loss) per unit diluted:							
Continuing Operations	$ (0.06)	$ (0.02)	$ (0.34)	$ (0.36)	$ (0.77)	$ (0.14)	$ (1.83)
Discontinued Operations	0.30	0.09	0.39	0.40	0.10	0.13	0.64
Net income (loss) per unit diluted[3]	$ 0.24	$ 0.07	$ 0.05	$ 0.04	$ (0.67)	$ (0.01)	$ (1.19)
Distributions per unit	$ 0.42	$ 0.36	$ 0.72	$ 0.60	$ 0.60	$ 0.70	$ 1.75
BALANCE SHEET DATA							
Land, buildings and equipment, net	$ 2,930,654	$ 3,102,256	$ 2,777,810	$ 2,724,104	$ 2,706,987	$ 2,755,643	$ 2,665,698
Total assets	3,083,059	3,302,562	3,286,160	3,258,428	3,170,515	3,171,960	3,154,501
Total long-term liabilities	1,647,326	1,842,032	1,831,992	1,759,727	1,761,571	1,704,343	1,762,019
OTHER DATA							

Total properties (at end of year)	122	136	125	153	156	156	192

(1) Since the filing of Colonial LP s Annual Report on Form 10-K for the year ended December 31, 2012, all periods have been adjusted in accordance with ASC 205-20, Discontinued Operations. See Annex H to this joint consent solicitation prospectus.

(2) The six months ended June 30, 2013 and 2012 includes $2.8 million, including $1.9 million presented in Discontinued Operations, and $1.2 million, including $0.3 million presented in Discontinued Operations, respectively, in non-cash impairment charges. For 2012, 2011, 2010, 2009 and 2008, includes $7.0 million, including $3.3 million presented in Discontinued Operations, $0.2 million, $0.3 million, $12.3 million, including $2.1 million presented in Discontinued Operations, and $116.9 million, including $25.5 million presented in Discontinued Operations, respectively, in non-cash impairment charges.

(3) All periods have been adjusted to reflect the adoption of ASC 260, Earnings per Share.

(4) For the six month periods ended June 30, 2013 and 2012, the change is primarily attributable to the gain of approximately $21.9 million recognized on the redemption of Colonial LP s ownership interest in the DRA/CLP joint venture, presented net of a $3.2 million non-cash impairment charge.

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Selected Unaudited Pro Forma Consolidated Financial Information (See page F-1)

The following table shows summary unaudited pro forma condensed consolidated financial information about the combined financial condition and operating results of MAA LP and Colonial LP after giving effect to the mergers and the transactions contemplated thereby. The unaudited pro forma financial information assumes that the mergers are accounted for by applying the acquisition method. The unaudited pro forma condensed consolidated balance sheet data gives effect to the mergers and the transactions contemplated thereby as if they had occurred on June 30, 2013. The unaudited pro forma condensed consolidated statement of income data gives effect to the mergers and the transactions contemplated thereby as if they had occurred on January 1, 2012, in each case based on the most recent valuation data available. The summary unaudited pro forma condensed consolidated financial information listed below has been derived from and should be read in conjunction with (1) the more detailed unaudited pro forma condensed consolidated financial information, including the notes thereto, appearing elsewhere in this joint consent solicitation/prospectus and (2) the historical consolidated financial statements and related notes of both MAA LP and Colonial LP included in the Annexes to this joint consent solicitation/prospectus.

	Six Months Ended June 30, 2013			
	MAA LP	Colonial LP	Pro forma adjustments	MAA LP Pro forma
	(dollars in thousands, except per unit data)			
Operating Data				
Total Operating Revenues	$ 238,831	$ 200,162	$ (165)	$ 438,828
Property Operating Expenses	95,082	78,873		173,955
Depreciation and Amortization	59,506	62,653	4,988	127,147
Interest Expense	28,190	43,194	(8,153)	63,231
Net income (loss) from continuing operations available for common shareholders	34,274	(5,241)	5,733	34,766
Per Share Data				
Net income (loss) from continuing operations per share attributable to common shares basic	$ 0.82	$ (0.06)		$ 0.47
Net income (loss) from continuing operations per share attributable to common shares diluted	$ 0.82	$ (0.06)		$ 0.45
Weighted average common shares outstanding basic	41,679	95,110		75,919
Weighted average common shares outstanding diluted	41,679	95,110		76,528
Balance Sheet Data				
Real estate assets, net	$ 2,535,921	$ 2,893,754	$ 804,793	$ 6,234,468
Total assets	2,620,720	3,083,059	890,229	6,594,008
Total debt	1,671,442	1,647,326	97,243	3,416,011
Total capital	780,086	1,136,534	946,955	2,863,575

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	Year Ended December 31, 2012			
	MAA LP	Colonial LP	Pro forma adjustments	MAA LP Pro forma
Operating Data				
Total Operating Revenues	$ 446,549	$ 368,847	$ (329)	$ 815,067
Property Operating Expenses	183,058	152,541		335,599
Depreciation and Amortization	114,139	117,004	85,331	316,474
Interest Expense	52,249	92,085	(15,514)	128,820
Net income (loss) from continuing operations available for common shareholders	57,935	(32,163)	(64,501)	(38,729)
Per Share Data				
Net income (loss) from continuing operations per share attributable to common shares basic	$ 1.43	$ (0.34)		$ (0.52)
Net income (loss) from continuing operations per share attributable to common shares diluted	$ 1.43	$ (0.34)		$ (0.52)
Weighted average common shares outstanding basic	40,412	94,410		74,361
Weighted average common shares outstanding diluted	40,412	94,410		74,361

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Unaudited Comparative Per Unit Information

The following table sets forth for the six months ended June 30, 2013 and the year ended December 31, 2012 selected per unit information for MAA LP units on a historical and pro forma basis and for Colonial LP units on a historical and pro forma equivalent basis. Except for the historical information as of and for the year ended December 31, 2012, the information in the table is unaudited. You should read the table below together with (1) the more detailed unaudited pro forma condensed consolidated financial information, including the notes thereto, appearing elsewhere in this joint consent solicitation/prospectus and (2) the historical consolidated financial statements and related notes of both MAA LP and Colonial LP appearing in the Annexes to this joint consent solicitation/prospectus.

The Colonial LP pro forma equivalent per unit amounts were calculated by multiplying the pro forma combined amounts by the exchange ratio of 0.360.

	MAA LP		Colonial LP	
	Historical	Pro Forma Combined	Historical	Pro Forma Equivalent
For the Six Months Ended June 30, 2013				
Income (loss) from continuing operations available for common unitholders per common unit, basic	$ 0.82	$ 0.47	$ (0.06)	$ 0.17
Income (loss) from continuing operations available for common unitholders per common unit, diluted	$ 0.82	$ 0.45	$ (0.06)	$ 0.16
Cash dividends declared per common unit	$ 1.3900	$ 1.3900	$ 0.42	$ 0.50
As of June 30, 2013				
Book value per unit	$ 17.55	$ 36.26	$ 11.85	$ 13.05
For the Year Ended December 31, 2012				
Income (loss) from continuing operations available for common unitholders per common unit, basic	$ 1.43	$ (0.52)	$ (0.34)	$ (0.19)
Income (loss) from continuing operations available for common unitholders per common unit, diluted	$ 1.43	$ (0.52)	$ (0.34)	$ (0.19)
Cash dividends declared per common unit	$ 2.6750	$ 2.6750	$ 0.72	$ 0.96

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RISK FACTORS

In addition to the other information included in this joint consent solicitation/prospectus, including the matters addressed in the section entitled Cautionary Statement Concerning Forward-Looking Statements, whether you are an MAA LP unitholder or Colonial LP unitholder, you should carefully consider the following risks before deciding whether to approve the proposals described in this joint consent solicitation/prospectus. In addition, you should read and consider the risks associated with each of the businesses of MAA, MAA LP and Colonial LP because these risks will also affect the Combined Corporation and MAA LP following the partnership merger. The risks associated with the business of MAA can be found in the Annual Report on Form 10-K for the year ended December 31, 2012 and subsequent Quarterly Reports on Form 10-Q of MAA, each of which is filed with the SEC and incorporated by reference into this joint consent solicitation/prospectus. The risks associated with the business of MAA LP can be found in the reports included as Annex E and Annex F to this joint consent solicitation/prospectus and the risks associated with the business of Colonial LP can be found in the reports included as Annex G and Annex I to this joint consent solicitation/prospectus. You should also read and consider the other information in this joint consent solicitation/prospectus, including the Annexes, and the other documents incorporated by reference into this joint consent solicitation/prospectus. See Where You Can Find More Information beginning on page 182.

Risk Factors Relating to the Mergers

The value of the MAA LP units that Colonial LP unitholders receive in the partnership merger will fluctuate based on the market of the shares of MAA common stock.

Each MAA LP unit to be received by Colonial LP unitholders (other than Colonial) in the partnership merger will be subject to a unit redemption right at the option of the holder following the partnership merger. Upon exercise by a unitholder of its unit redemption right with respect to its MAA LP units, MAA LP will be required to acquire the MAA LP units for cash, based on the market price of shares of MAA common stock in accordance with the amended and restated MAA LP limited partnership agreement. However, MAA may assume, in its sole discretion, MAA LP s obligation, in which case MAA will pay the unitholder in either MAA common stock or its cash equivalent. Consequently, the redemption value of the MAA LP units Colonial LP unitholders receive in the partnership merger will be directly affected by price fluctuations of the MAA common stock through the closing of the mergers and thereafter. The redemption value of the MAA LP units, as reflected in the market price of the MAA common stock may vary significantly from the redemption value, as reflected in the market price of shares of MAA common stock as of the date of execution of the merger agreement, the date of this joint consent solicitation/prospectus or the date the mergers are completed. These variances may arise due to, among other things:

- market reaction to the announcement of the mergers;
- changes in the respective businesses, operations, assets, liabilities and prospects of MAA and Colonial;
- changes in market assessments of the business, operations, financial position and prospects of either company or the Combined Corporation;
- market assessments of the likelihood that the mergers will be completed;
- interest rates, general market and economic conditions and other factors generally affecting the market prices of MAA common stock and Colonial common shares;
- federal, state and local legislation, governmental regulation and legal developments in the businesses in which MAA and Colonial operate; and

other factors beyond the control of MAA and Colonial, including those described or referred to elsewhere in this Risk Factors section.

The value of the merger consideration to be received by Colonial LP unitholders represented by the exchange ratio will also vary with changes in the market price of shares of MAA common stock. For example,

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based on the range of trading prices of shares of MAA common stock during the period after May 31, 2013, the last trading day before Colonial and MAA announced the mergers, through August 20, 2013, the latest practicable date before the date of this joint consent solicitation/prospectus, the exchange ratio of 0.360 represented a market value of shares of MAA common stock ranging from a low of $21.86 to a high of $25.20.

The exchange ratio for Colonial LP units to be exchanged for MAA LP units in the partnership merger was fixed at the time of the signing of the merger agreement and is not subject to adjustment based on changes in the trading price of shares of MAA common stock or Colonial common shares before the closing of the partnership merger. Accordingly, the redemption value of the MAA LP units Colonial LP unitholders receive in the partnership merger will depend on the market price of shares of MAA common stock at the time of closing of the partnership merger and thereafter.

There is no public market for MAA LP units and none is expected to develop, which may cause some difficulty in selling any MAA LP units Colonial LP unitholders receive in the partnership merger.

There is no public market for MAA LP units and none is expected to develop. However, the amended and restated MAA LP limited partnership agreement provides that unitholders may, subject to specified limitations, redeem their MAA LP units for shares of MAA common stock on a one-on-one basis or their cash equivalent, at the election of MAA. The determination of whether the redeeming party receives cash or MAA common stock is within the sole discretion of MAA. If an MAA LP unitholder is unable to redeem its MAA LP units, the unitholder may have difficulty selling those units because of the lack of a public market and the restrictions on transfer contained in the amended and restated MAA LP partnership agreement.

No fairness opinion was obtained in connection with the partnership merger.

Neither Colonial LP nor MAA LP obtained a fairness opinion in connection with the partnership merger. Therefore, no third party has passed on the fairness, from a financial point of view, of the partnership merger for either Colonial LP or MAA LP, or of the consideration to be received by holders of Colonial LP units pursuant to the merger agreement.

The parent merger and related transactions are subject to approval by shareholders of both MAA and Colonial, the partnership merger is subject to approval by holders of Colonial LP units and the partnership merger and the amendment and restatement of the limited partnership agreement of MAA LP are subject to approval by holders of MAA LP units.

In order for the parent merger to be completed, both MAA shareholders and Colonial shareholders must approve the parent merger and the other transactions contemplated by the merger agreement, the holders of Colonial LP units must approve the partnership merger and holders of MAA LP units must approve the partnership merger and the amended and restated MAA LP limited partnership agreement.

Approval of the parent merger requires (i) the affirmative vote of a majority of the shares of MAA common stock outstanding and entitled to vote on the proposal; and (ii) the affirmative vote of a majority of the Colonial common shares outstanding as of the record date for the Colonial special meeting. Approval of the partnership merger requires the approval of holders of at least a majority of the outstanding limited partnership interests of MAA LP, excluding for purposes of the approval all limited partnership interests held by MAA. Approval of the amendment and restatement of the limited partnership agreement of MAA requires the approval of holders of at least 66 2/3rds of the outstanding limited partnership interests of MAA LP, excluding for purposes of the approval all limited partnership interests held by MAA.

Under Colonial LP s partnership agreement, the approval of the merger agreement and the partnership merger by Colonial LP s unitholders requires the approval of the holders of at least three-fourths of the outstanding Colonial LP units, including the Colonial LP units held by Colonial. Colonial is the holder of

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approximately 92.5% of the outstanding Colonial LP units. While Colonial has not yet approved the merger agreement and the partnership merger in its capacity as a holder of Colonial LP units, Colonial is a party to, and bound by the terms of, the merger agreement and it is expected that Colonial will deliver its written consent to approve the merger agreement and the partnership merger in such capacity.

If the mergers do not occur, one of the companies may incur payment obligations to the other.

If the merger agreement is terminated under certain circumstances, MAA or Colonial may be obligated to pay the other party a termination fee of $75 million and/or up to $10 million in expense reimbursement. See The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by Colonial to MAA beginning on page 109 and The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by MAA to Colonial beginning on page 109.

Failure to complete the mergers could negatively affect the stock prices and the future business and financial results of MAA, MAA LP and Colonial LP.

If the mergers are not completed, the ongoing businesses of MAA, MAA LP and Colonial LP could be adversely affected and each of MAA, MAA LP and Colonial LP will be subject to a variety of risks associated with the failure to complete the mergers, including the following:

- MAA or Colonial being required, under certain circumstances, to pay to the other party a termination fee of $75 million and/or up to $10 million in expense reimbursement;
- having to pay certain costs relating to the proposed mergers, such as legal, accounting, financial advisor, filing, printing and mailing fees; and
- diversion of management focus and resources from operational matters and other strategic opportunities while working to implement the mergers.

If the mergers are not completed, these risks could materially affect the business, financial results and stock prices of both MAA or Colonial and the business and financial results of both MAA LP and Colonial LP.

The pendency of the mergers could adversely affect the business and operations of MAA LP and Colonial LP.

Prior to the effective time of the mergers, some tenants or vendors of each of MAA LP and Colonial LP may delay or defer decisions, which could negatively affect the revenues, earnings, cash flows and expenses of MAA LP and Colonial LP, regardless of whether the mergers are completed. Similarly, current and prospective employees of MAA LP and Colonial LP may experience uncertainty about their future roles with the Combined Corporation or MAA LP following the mergers, which may materially adversely affect the ability of each of MAA LP and Colonial LP to attract and retain key personnel during the pendency of the mergers. In addition, due to operating restrictions in the merger agreement, each of MAA LP and Colonial LP may be unable, during the pendency of the mergers, to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions, even if such actions would prove beneficial.

The merger agreement contains provisions that could discourage a potential competing acquirer of either MAA or Colonial or could result in any competing acquisition proposal being at a lower price than it might otherwise be.

The merger agreement contains provisions that, subject to limited exceptions, restrict the ability of each of MAA and Colonial to initiate, solicit, knowingly encourage or knowingly facilitate any third-party proposals to acquire all or a significant part of MAA or Colonial, respectively. With respect to any bona fide third-party Acquisition Proposal, either MAA or Colonial, as applicable, generally has an opportunity to offer to modify the

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terms of the merger agreement in response to such proposal before the MAA Board or the Colonial Board, as the case may be, may withdraw or modify its recommendation to their respective shareholders in response to such Acquisition Proposal. Upon termination of the merger agreement in certain circumstances, one of the parties may be required to pay a substantial termination fee and/or expense reimbursement to the other party. See The Merger Agreement Covenants and Agreements No Solicitation of Transactions beginning on page 99, The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by Colonial to MAA beginning on page 109, and The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by MAA to Colonial beginning on page 109.

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of MAA or Colonial from considering or proposing a competing acquisition, even if the potential competing acquirer was prepared to pay consideration with a higher per share cash value than that market value proposed to be received or realized in the mergers, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee and expense reimbursement that may become payable in certain circumstances under the merger agreement.

If the mergers are not consummated by December 31, 2013, either MAA or Colonial may terminate the merger agreement.

Either MAA or Colonial may terminate the merger agreement if the mergers have not been consummated by December 31, 2013. However, this termination right will not be available to a party if that party failed to fulfill its obligations under the merger agreement and that failure was the cause of, or resulted in, the failure to consummate the mergers. See The Merger Agreement Termination of the Merger Agreement beginning on page 107.

Some of the directors and executive officers of MAA and trustees and executive officers of Colonial have interests in seeing the mergers completed that are different from, or in addition to, those of the other MAA shareholders, MAA LP unitholders, Colonial shareholders and Colonial LP unitholders, respectively.

Some of the directors and executive officers of MAA and trustees and executive officers of Colonial have arrangements that provide them with interests in the mergers that are different from, or in addition to, those of the shareholders of MAA, the unitholders of MAA LP, the shareholders of Colonial or the unitholders of Colonial LP generally. These interests include, among other things, the continued service as a director or an executive officer of the Combined Corporation, or, in the alternative, a sizeable severance payment if terminated upon, or following, consummation of the mergers. These interests, among other things, may influence or may have influenced the directors and executive officers of MAA and trustees and executive officers of Colonial to support or approve the mergers. See The Mergers Interests of MAA s Directors and Executive Officers in the Mergers beginning on page 80 and The Mergers Interests of Colonial s Trustees and Executive Officers in the Mergers beginning on page 81.

Risk Factors Relating to the Combined Corporation and MAA LP Following the Mergers

Risks Related to the Combined Corporation s and MAA LP s Operations

The Combined Corporation and MAA LP expect to incur substantial expenses related to the mergers.

The Combined Corporation and MAA LP expect to incur substantial expenses in connection with completing the mergers and integrating the business, operations, networks, systems, technologies, policies and procedures of the two companies. There are a large number of systems that must be integrated, including property management, revenue management, resident payment, credit screening, lease administration, website content management, purchasing, accounting, payroll, fixed assets and financial reporting. Although MAA, MAA LP, Colonial and Colonial LP have assumed that a certain level of transaction and integration expenses

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would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, the transaction and integration expenses associated with the mergers could, particularly in the near term, exceed the savings that the Combined Corporation and MAA LP expect to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the businesses following the completion of the mergers.

Following the mergers, the Combined Corporation and MAA LP may be unable to integrate the businesses of MAA, MAA LP and Colonial LP successfully and realize the anticipated synergies and other benefits of the mergers or do so within the anticipated timeframe.

The mergers involve the combination of two companies that currently operate as independent public companies and their respective operating partnerships. MAA, MAA LP, Colonial and Colonial LP estimate that the transaction will generate approximately $25 million of annual gross savings in general and administrative expenses. The Combined Corporation and MAA LP are expected to benefit from the elimination of duplicative costs associated with supporting a public company platform and the leveraging of state of the art technology and systems. These savings are expected to be realized upon full integration, which is expected to occur over the 18-month period following the closing of the mergers. However, the Combined Corporation and MAA LP will be required to devote significant management attention and resources to integrating the business practices and operations of MAA, MAA LP, Colonial and Colonial LP. Potential difficulties the Combined Corporation and MAA LP may encounter in the integration process include the following:

- the inability to successfully combine the businesses of MAA, MAA LP, Colonial and Colonial LP in a manner that permits the Combined Corporation and MAA LP to achieve the cost savings anticipated to result from the mergers, which would result in the anticipated benefits of the mergers not being realized in the timeframe currently anticipated or at all;

- the complexities associated with managing the combined businesses out of several different locations and integrating personnel from the two companies;

- the additional complexities of combining two companies with different histories, cultures, regulatory restrictions, markets and customer bases;

- potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the mergers; and

- performance shortfalls as a result of the diversion of management s attention caused by completing the mergers and integrating the companies operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of the Combined Corporation s and MAA LP s management, the disruption of the Combined Corporation s and MAA LP s ongoing business or inconsistencies in the Combined Corporation s and MAA LP s operations, services, standards, controls, procedures and policies, any of which could adversely affect the ability of the Combined Corporation and MAA LP to maintain relationships with tenants, vendors and employees or to achieve the anticipated benefits of the mergers, or could otherwise adversely affect the business and financial results of the Combined Corporation and MAA LP.

Following the mergers, the Combined Corporation and MAA LP may be unable to retain key employees.

The success of the Combined Corporation and MAA LP after the mergers will depend in part upon their ability to retain key MAA and Colonial employees. Key employees may depart either before or after the mergers because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the Combined Corporation and MAA LP following the mergers. Accordingly, no assurance can be given that MAA, MAA LP, Colonial, Colonial LP or, following the mergers, the Combined Corporation and MAA LP will be able to retain key employees to the same extent as in the past.

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The mergers will result in changes to the board of directors and management of the Combined Corporation that may affect the strategy of the Combined Corporation and MAA LP as compared to that of MAA and Colonial independently.

If the parties complete the mergers, the composition of the board of directors of the Combined Corporation and management team will change from the respective boards and management teams of MAA and Colonial. The board of directors of the Combined Corporation will consist of twelve members, with all seven directors from the current MAA Board and five directors from the current Colonial Board constituting the members of the Combined Corporation s board of directors. Alan B. Graf, Jr. and Ralph Horn, Co-Lead Independent Directors for MAA, will serve as Co-Lead Independent Directors for the Combined Corporation. H. Eric Bolton, Jr., MAA s Chief Executive Officer and Chairman of the Board of Directors, will serve as Chief Executive Officer and Chairman of the Board of Directors of the Combined Corporation. Albert M. Campbell, III, MAA s Chief Financial Officer, will serve as Chief Financial Officer of the Combined Corporation, and Thomas L. Grimes, Jr., MAA s Chief Operating Officer, will serve as the Chief Operating Officer of the Combined Corporation. This new composition of the board of directors and the management team of the Combined Corporation may affect the business strategy and operating decisions of the Combined Corporation and MAA LP upon the completion of the mergers.

The future results of the Combined Corporation and MAA LP will suffer if the Combined Corporation and MAA LP do not effectively manage their expanded operations following the mergers.

Following the mergers, the Combined Corporation and MAA LP expect to continue to expand their operations through additional acquisitions of properties, some of which may involve complex challenges. The future success of the Combined Corporation and MAA LP will depend, in part, upon the ability of the Combined Corporation and MAA LP to manage their expansion opportunities, which may pose substantial challenges for the Combined Corporation and MAA LP to integrate new operations into their existing business in an efficient and timely manner, and upon their ability to successfully monitor their operations, costs, regulatory compliance and service quality, and to maintain other necessary internal controls. There is no assurance that the Combined Corporation s and MAA LP s expansion or acquisition opportunities will be successful, or that the Combined Corporation and MAA LP will realize their expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

Risks Related to an Investment in MAA LP units and the Combined Corporation s Common Stock

The amended and restated MAA LP limited partnership agreement has different rights that may be less favorable than the current rights of MAA LP unitholders under the existing MAA LP limited partnership agreement.

There are important differences between the existing MAA LP limited partnership agreement and the amended and restated MAA LP limited partnership agreement, including, among others, those relating to the rights of the general partner to issue additional units, operating distributions, allocations of partnership income and loss, outside activities of the general partner, rights in the event of extraordinary transactions, transfers of partnership interests by the general partner, amendments to the partnership agreement and certain tax matters. Some of these different rights may be less favorable than the current rights of MAA LP unitholders under the existing MAA LP limited partnership agreement. For a detailed discussion of the significant differences between the current rights as an MAA LP unitholder and the rights as an MAA LP unitholder following the adoption of the amended and restated MAA LP limited partnership agreement, see Comparison of Unitholder Rights beginning on page 160.

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The market price of shares of the common stock of the Combined Corporation and thus the value of the MAA LP units, may be affected by factors different from those affecting the price of shares of MAA common stock or Colonial common shares or the value of MAA LP units or Colonial LP units before the mergers.

If the mergers are completed, we estimate that continuing MAA equity holders will own approximately 56% of the issued and outstanding common shares of the Combined Corporation, assuming the conversion of all limited partnership units of MAA LP held by existing limited partners of MAA LP to shares of Combined Corporation common stock, and former Colonial equity holders will own approximately 44% of the issued and outstanding shares of common stock of the Combined Corporation, assuming the conversion of all limited partnership units issued by MAA LP to former limited partners of Colonial LP to shares of Combined Corporation common stock. The results of operations of the Combined Corporation, as well as the market price of the common stock of the Combined Corporation and thus, the value of the MAA LP common units, after the parent merger may be affected by other factors in addition to those currently affecting MAA s or Colonial s results of operations and the market prices of MAA common stock and Colonial common shares and the value of MAA LP units and Colonial LP units. These factors include:

- a greater number of shares of the Combined Corporation outstanding as compared to the number of currently outstanding shares of MAA;
- different shareholders;
- different markets; and
- different assets and capitalizations

Accordingly, the historical market prices and financial results of MAA and Colonial may not be indicative of these matters for the Combined Corporation after the parent merger.

The market price of the Combined Corporation s common stock may decline as a result of the mergers.

The market price of the Combined Corporation s common stock, and thus the value of the MAA LP units, and may decline as a result of the mergers if the Combined Corporation does not achieve the perceived benefits of the mergers as rapidly or to the extent anticipated by financial or industry analysts, or the effect of the mergers on the Combined Corporation s financial results is not consistent with the expectations of financial or industry analysts.

In addition, upon consummation of the parent merger, MAA shareholders and Colonial shareholders will own interests in a Combined Corporation operating an expanded business with a different mix of properties, risks and liabilities. Current shareholders of MAA and Colonial may not wish to continue to invest in the Combined Corporation, or for other reasons may wish to dispose of some or all of their shares of the Combined Corporation s common stock. If, following the effective time of the parent merger, large amounts of the Combined Corporation s common stock are sold, the price of the Combined Corporation s common stock could decline.

MAA LP cannot assure you that it will be able to continue making distributions at or above the rate currently paid by MAA LP and Colonial LP.

Following the mergers, unitholders of MAA LP may not receive distributions at the same rate they received distributions as unitholders of MAA LP and Colonial LP prior to the mergers for various reasons, including the following:

- MAA LP may not have enough cash to pay such distributions due to changes in the cash requirements, capital spending plans, cash flow or financial position;

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decisions on whether, when and in which amounts to make any future distributions will remain at all times entirely at the discretion of the Combined Corporation s board of directors, which reserves the right to change MAA LP s current distributions practices at any time and for any reason;

the Combined Corporation may desire to retain cash to maintain or improve its credit ratings; and

the amount of dividends that MAA LP s subsidiaries may distribute to MAA LP may be subject to restrictions imposed by state law, restrictions that may be imposed by state regulators, and restrictions imposed by the terms of any current or future indebtedness that these subsidiaries may incur.

In connection with the announcement of the merger agreement, two lawsuits have been filed, seeking, among other things, to enjoin the mergers, and an adverse judgment in either of these lawsuits may prevent the mergers from being effective or from becoming effective within the expected timeframe.

On June 19, 2013, a putative class action lawsuit was filed in the Circuit Court for Jefferson County, Alabama against Colonial and purportedly on behalf of a proposed class of all Colonial shareholders captioned *Williams v. Colonial Properties Trust, et al.* (the State Litigation). A derivative claim purportedly on behalf of Colonial was also asserted in the State Litigation. The complaint names as defendants Colonial, the members of the Colonial board of trustees, Colonial LP, MAA, MAA LP and OP Merger Sub and alleges that the Colonial trustees breached their fiduciary duties by engaging in an unfair process leading to the merger agreement, failing to secure and obtain the best price reasonable for Colonial shareholders, allowing preclusive deal protection devices in the merger agreement, and by engaging in conflicted actions. The complaint alleges that Colonial LP, MAA, MAA LP and OP Merger Sub aided and abetted those breaches of fiduciary duties. The complaint seeks a declaration that the defendants have breached their fiduciary duties or aided and abetted such breaches and that the merger agreement is unlawful and unenforceable, an order enjoining the consummation of the mergers, direction of the Colonial trustees to exercise their fiduciary duties to obtain a transaction that is in the best interests of Colonial, rescission of the mergers in the event they are consummated, an award of costs and disbursements, including reasonable attorneys and experts fees, and other relief.

On July 2, 2013, plaintiff moved for expedited fact discovery and for an expedited schedule for filing and hearing a preliminary motion to enjoin the mergers; on July 11, 2013, defendants opposed those motions and moved to stay fact discovery. On July 11, 2013, defendants also moved to dismiss the complaint for failure to state a claim upon which relief can be granted on the grounds that: (1) the claims against the Colonial trustees are derivative and not direct, and plaintiff did not comply with Alabama law on serving notice of the claims on Colonial prior to filing; and (2) Alabama law does not recognize a cause of action in aiding and abetting a breach of fiduciary duty and, even if it did, such claims would also be derivative and not direct. The Court scheduled a motions hearing for August 8, 2013, which was continued on the request of the parties to the State Litigation to August 14, 2013 to facilitate settlement discussions. In the meantime, on August 2, 2013, plaintiff filed an amended complaint that re-asserted plaintiff s earlier claims and added a new claim that the Colonial trustees breached their alleged duty of candor by not providing Colonial shareholders full and complete disclosures regarding the merger.

On August 14, 2013, prior to the Court s scheduled hearing, the parties to the State Litigation reached an agreement in principle to settle the State Litigation, in which (a) defendants agreed to make certain additional disclosures in this joint proxy statement/prospectus, and (b) the parties agreed that they would use their best efforts to agree upon, execute and present to the Court a stipulation of settlement which would, among other things, (i) provide for the conditional certification of a non-opt out settlement class pursuant to Alabama Rules of Civil Procedure 23(b)(1) and (b)(2) consisting generally of all record and beneficial holders of the common stock of Colonial from June 3, 2013 through and including the date of the closing of the parent merger (the Settlement Class); (ii) release all claims that members of the Settlement Class may have that were alleged in the State Litigation or otherwise arising out of or relating in any manner to the parent merger (except Colonial shareholders statutory dissenters rights), and (iii) dismiss the State Litigation with prejudice. The proposed settlement also provides that the defendants will not oppose a request to the Court by plaintiff s counsel for attorney s fees up to an immaterial amount agreed to by the parties and is subject to, among other things, confirmatory discovery, agreement to a stipulation of settlement, and final court approval following notice to the

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Settlement Class. The parties reported the proposed settlement to the Court on August 14, 2013, and the Court ordered a stay of all proceedings (except those related to settlement). Colonial and MAA management believe that the allegations in the amended complaint are without merit and that the disclosures made prior to the settlement are adequate under the law but wish to settle the State Litigation in order to avoid the cost and distraction of further litigation. In the event that the stipulation of settlement is not approved by the Court, the defendants intend to vigorously defend the State Litigation.

On August 20, 2013, a purported Colonial shareholder filed an individual lawsuit in the United States District Court for the Northern District of Alabama against Colonial captioned *Kempen v. Colonial Properties Trust, et al.* (the Federal Litigation). The complaint names as defendants Colonial, the members of the Colonial board of trustees, Colonial LP, MAA, MAA LP and OP Merger Sub, and alleges that all defendants violated Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder because the joint proxy statement/prospectus included in the registration statement on Form S-4 filed with the SEC on July 19, 2013 is allegedly materially misleading, depriving plaintiff of making a fully informed decision regarding his vote on the parent merger. The complaint alleges that defendants misrepresented or omitted material facts concerning Colonial s projections, the financial analyses of Colonial s financial advisor, conflicts of interest affecting defendants and Colonial s financial advisor, and the process employed by the Colonial trustees leading up to the decision to approve and recommend the parent merger. Plaintiff seeks an order enjoining the consummation of the mergers, rescission of the mergers in the event they are consummated or awarding Plaintiff rescissory damages, and an award of costs and disbursements, including reasonable attorneys and experts fees. Colonial and MAA management believe that the allegations in the complaint are without merit and intend to vigorously defend the Federal Litigation.

Colonial and MAA cannot assure you as to the outcome of the State Litigation, the Federal Litigation, or any similar future lawsuits, including the costs associated with defending these claims or any other liabilities that may be incurred in connection with the State Litigation, Federal Litigation or settlement of these claims. Neither Colonial nor MAA are able to reliably estimate the likelihood or amount of potential loss. If any plaintiff is successful in obtaining an injunction prohibiting the parties from completing the mergers on the agreed-upon terms, such an injunction may prevent the completion of the mergers in the expected time frame, or may prevent them from being completed altogether. Regardsless of whether either plaintiffs claims are successful, this type of litigation is often expensive and diverts management s attention and resources, which could adversely affect the operation of the businesses of MAA and Colonial. For more information about litigation related to the mergers, see The Mergers Litigation Relating to the Mergers beginning on page 88.

Counterparties to certain significant agreements with MAA LP or Colonial LP may exercise contractual rights under such agreements in connection with the mergers.

MAA LP and Colonial LP are each party to certain agreements that give the counterparty certain rights following a change in control, including in some cases the right to terminate the agreement. Under some such agreements, the mergers will constitute a change in control and therefore the counterparty may exercise certain rights under the agreement upon the closing of the mergers. Certain MAA LP and Colonial LP joint ventures, management and service contracts, and debt obligations have agreements subject to such provisions. Any such counterparty may request modifications of their respective agreements as a condition to granting a waiver or consent under their agreement. There can be no assurances that such counterparties will not exercise their rights under these agreements, including termination rights where available, or that the exercise of any such rights under, or modification of, these agreements will not adversely affect the business or operations of the Combined Corporation and MAA LP following the mergers.

The historical and unaudited pro forma combined condensed financial information included elsewhere in this joint consent solicitation/prospectus may not be representative of MAA LP s results after the mergers, and accordingly, you have limited financial information on which to evaluate MAA LP following the mergers.

The unaudited pro forma combined condensed financial information included elsewhere in this joint consent solicitation/prospectus has been presented for informational purposes only and is not necessarily indicative of the

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financial position or results of operations that actually would have occurred had the mergers been completed as of the date indicated, nor is it indicative of the future operating results or financial position of MAA LP following the mergers. The unaudited pro forma combined condensed financial information does not reflect future events that may occur after the mergers, including the costs related to the planned integration of the two companies and any future nonrecurring charges resulting from the mergers, and does not consider potential impacts of current market conditions on revenues or expense efficiencies. The unaudited pro forma combined condensed financial information presented elsewhere in this joint consent solicitation/prospectus is based in part on certain assumptions regarding the mergers that MAA LP and Colonial LP believe are reasonable under the circumstances. MAA LP and Colonial LP cannot assure you that the assumptions will prove to be accurate over time.

The Combined Corporation and MAA LP will have a significant amount of indebtedness following the mergers and may need to incur more in the future.

The Combined Corporation and MAA LP will have substantial indebtedness following completion of the parent merger. For example, as of July 31, 2013, the Combined Corporation would have had an estimated fixed charge coverage ratio of 1.5x and an estimated debt as a percentage of total market capitalization of 39.9% (by comparison, as of that date, the standalone figures for MAA were 2.1x and 36.0%, respectively, and for Colonial were 1.0x and 41.8%, respectively). In addition, in connection with executing the Combined Corporation s and MAA LP s business strategies following the mergers, the Combined Corporation and MAA LP expect to continue to evaluate the possibility of acquiring additional properties and making strategic investments, and the Combined Corporation and MAA LP may elect to finance these endeavors by incurring additional indebtedness. The amount of such indebtedness could have material adverse consequences for the Combined Corporation and MAA LP, including:

- reducing the Combined Corporation s and MAA LP s credit ratings and thereby raising its borrowing costs;
- hindering the Combined Corporation s and MAA LP s ability to adjust to changing market, industry or economic conditions;
- limiting the Combined Corporation s and MAA LP s ability to access the capital markets to refinance maturing debt or to fund acquisitions or emerging businesses;
- limiting the amount of free cash flow available for future operations, acquisitions, dividends, distributions stock repurchases or other uses;
- making the Combined Corporation and MAA LP more vulnerable to economic or industry downturns, including interest rate increases; and
- placing the Combined Corporation and MAA LP at a competitive disadvantage compared to less leveraged competitors.

Moreover, to respond to competitive challenges, the Combined Corporation and MAA LP may be required to raise substantial additional capital to execute their business strategy. The Combined Corporation s and MAA LP s ability to arrange additional financing will depend on, among other factors, the Combined Corporation s and MAA LP s financial position and performance, as well as prevailing market conditions and other factors beyond the Combined Corporation s and MAA LP s control. If the Combined Corporation and MAA LP are able to obtain additional financing, the Combined Corporation s and MAA LP s credit ratings could be further adversely affected, which could further raise the Combined Corporation s and MAA LP s borrowing costs and further limit its future access to capital and its ability to satisfy its obligations under its indebtedness.

The Combined Corporation may incur adverse tax consequences if MAA or Colonial has failed or fails to qualify as a REIT for U.S. federal income tax purposes which may have a material adverse consequence on holders of MAA LP units.

Each of MAA and Colonial has operated in a manner that it believes has allowed it to qualify as a REIT for U.S. federal income tax purposes under the Code, and each intend to continue to do so through the time of the

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parent merger and the Combined Corporation intends to continue operating in such a manner following the parent merger. None of MAA, Colonial and the Combined Corporation has requested or plans to request a ruling from the IRS that it qualifies as a REIT. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury Regulations that have been promulgated under the Code is greater in the case of a REIT that holds its assets through a partnership (such as both Colonial and MAA do, and as the Combined Corporation will following the parent merger). The determination of various factual matters and circumstances not entirely within the control of MAA, Colonial or the Combined Corporation, as the case may be, may affect any such company s ability to qualify as a REIT. In order to qualify as a REIT, each of MAA, Colonial and the Combined Corporation must satisfy a number of requirements, including requirements regarding the ownership of its stock and the composition of its gross income and assets. Also, a REIT must generally make distributions to shareholders aggregating annually at least 90% of its net taxable income, excluding any net capital gains.

If any of MAA, Colonial or the Combined Corporation loses its REIT status, or is determined to have lost its REIT status in a prior year, it will face serious tax consequences that would substantially reduce its cash available for distribution, including cash available to pay dividends to its shareholders, because:

- such company would be subject to U.S. federal income tax on its net income at regular corporate rates for the years it did not qualify for taxation as a REIT (and, for such years, would not be allowed a deduction for dividends paid to shareholders in computing its taxable income);
- such company could be subject to the federal alternative minimum tax and possibly increased state and local taxes for such periods;
- unless such company is entitled to relief under applicable statutory provisions, neither it nor any successor company could elect to be taxed as a REIT until the fifth taxable year following the year during which it was disqualified; and
- for the ten years following re-election of REIT status, upon a taxable disposition of an asset owned as of such re-election, such company would be subject to corporate level tax with respect to any built-in gain inherent in such asset at the time of re-election.

The Combined Corporation will inherit any liability with respect to unpaid taxes of MAA or Colonial for any periods prior to the parent merger. In addition, as described above, if Colonial failed to qualify as a REIT as of the parent merger but the Combined Corporation nonetheless qualified as a REIT, in the event of a taxable disposition of a former Colonial asset during the ten years following the parent merger the Combined Corporation would be subject to corporate tax with respect to any built-in gain inherent in such asset as of the parent merger. In addition, under the investment company rules under Section 368 of the Code, if both MAA and Colonial are investment companies under such rules, the failure of either Colonial or MAA to qualify as a REIT could cause the parent merger to be taxable to Colonial or MAA, respectively, and its shareholders. As a result of all these factors, MAA s, Colonial s or the Combined Corporation s failure to qualify as a REIT could impair the Combined Corporation s ability to expand its business and raise capital, and would materially adversely affect the value of its stock, which in turn would adversely affect the value of MAA LP units (because MAA LP units may generally be redeemed in exchange for shares of MAA stock or their cash equivalent at the election of MAA LP). In addition, for years in which the Combined Corporation does not qualify as a REIT, it will not otherwise be required to make distributions to shareholders.

In certain circumstances, even if the Combined Corporation qualifies as a REIT, it and its subsidiaries may be subject to certain U.S. federal, state, and other taxes, which would reduce the Combined Corporation s cash available for distribution to its shareholders.

Even if each of MAA, Colonial and the Combined Corporation has, as the case may be, qualified and continues to qualify as a REIT, the Combined Corporation may be subject to U.S. federal, state, or other taxes.

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For example, net income from the sale of properties that are dealer properties sold by a REIT (a prohibited transaction under the Code) will be subject to a 100% tax. In addition, the Combined Corporation may not be able to make sufficient distributions to avoid income and excise taxes applicable to REITs. Alternatively, the Combined Corporation may decide to retain income it earns from the sale or other disposition of its property and pay income tax directly on such income. In that event, the Combined Corporation s shareholders would be treated as if they earned that income and paid the tax on it directly. However, shareholders that are tax-exempt, such as charities or qualified pension plans, might not have any benefit from their deemed payment of such tax liability. The Combined Corporation and its subsidiaries may also be subject to U.S. federal taxes other than U.S. federal income taxes, as well as state and local taxes (such as state and local income and property taxes), either directly or at the level of its operating partnership, or at the level of the other companies through which the Combined Corporation indirectly owns its assets. Any U.S. federal or state taxes the Combined Corporation (or any of its subsidiaries) pays will reduce cash available for distribution by the Combined Corporation to shareholders and may adversely affect the value of its stock, which in turn would adversely affect the value of MAA LP units (because MAA LP units may generally be redeemed in exchange for shares of MAA stock or their cash equivalent at the election of MAA LP). See section Material U.S. Federal Income Tax Consequences beginning on page 115.

The U.S. federal income tax consequences to Colonial LP unitholders and MAA LP unitholders of the partnership merger and their ownership of MAA LP units after the partnership merger are complex and should be carefully considered by Colonial LP Unitholders and MAA LP Unitholders.

U.S. Federal Income Tax Consequences of the Partnership Merger. A Colonial LP unitholder that is a U.S. Holder (as defined below) generally will not recognize taxable gain or loss for U.S. federal income tax purposes at the time of and as a result of the partnership merger so long as the unitholder:

- is not deemed to receive a cash distribution (including for this purpose any deemed cash distribution resulting from relief from liabilities, including as a result of repayment of indebtedness or as a result of net reduction in its allocable share of partnership liabilities) in excess of such unitholder s adjusted basis in its Colonial LP units at the partnership merger effective time;

- is not required to recognize gain because of the partnership merger being treated as part of a disguised sale (either by such unitholder or by Colonial LP) under Section 707(a) of the Internal Revenue Code of 1986, as amended (the Code);

- does not have its at risk amount with respect to any activity fall below zero as a result of the partnership merger and parent merger; and

- does not exercise its redemption right under the amended and restated MAA LP limited partnership agreement with respect to MAA LP units received in the partnership merger on a date sooner than the date that is two years after the date on which the partnership merger effective time occurs.

A MAA LP unitholder that is a U.S. Holder (as defined below) generally will not recognize taxable gain or loss for U.S. federal income tax purposes at the time of and as a result of the partnership merger so long as the unitholder:

- is not deemed to receive a cash distribution (including for this purpose any deemed cash distribution resulting from relief from liabilities, including as a result of repayment of indebtedness or as a result of net reduction in its allocable share of partnership liabilities) in excess of such unitholder s adjusted basis in its MAA LP units at the partnership merger effective time;

- is not deemed to both receive a cash distribution and undergo a reduction in the unitholder s share of certain ordinary income assets of MAA LP, if any; and

does not have its at risk amount with respect to any activity fall below zero as a result of the partnership merger or parent merger. Whether and the extent to which a Colonial LP unitholder or an MAA LP unitholder will undergo a reduction in its share of partnership liabilities will depend on a number of variables. In addition, future events may cause a Colonial

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LP unitholder or an MAA LP unitholder to recognize all part of its gain that was otherwise deferred at the time of the partnership merger. Although the partnership merger generally is intended to permit U.S. Holders (as defined below) of Colonial LP units and MAA LP units to defer the taxable gain that they otherwise would recognize in a fully taxable transaction, the Internal Revenue Service might contend that the partnership merger or subsequent events caused Colonial LP unitholders or MAA LP unitholders to have recognized some or all of such otherwise deferred gain. For a further discussion of these and other U.S. federal income tax consequences of the partnership merger, please read the discussion under the heading Material U.S. Federal Income Tax Consequences. The tax consequences of the partnership merger and the ownership of MAA LP units are complex. Colonial LP s unitholders and MAA LP s unitholders should also consult their own tax advisors as to the U.S. federal income tax consequences of the partnership merger, as well as the effects of other U.S. federal, and state, local and non-U.S. tax laws.

Effects of Subsequent Events upon Recognition of Gain. Future events and transactions could cause some or all of the former Colonial LP unitholders holding MAA LP units and some or all existing MAA LP unitholders to recognize part or all of the taxable gain that has been deferred either through the original contribution of assets to Colonial LP or MAA LP, respectively, in exchange for Colonial LP units or MAA LP units, respectively, or through the partnership merger. See Material U.S. Federal Income Tax Consequences Effect of Subsequent Events. Except as pursuant to certain limited exceptions under the amended and restated MAA LP partnership agreement and as may be provided under a separate agreement for the benefit of a particular holder of Colonial LP units or MAA LP units, MAA is not required to take into account the tax consequences to the limited partners in deciding whether to cause MAA LP (or its subsidiaries) to undertake specific transactions that could cause the limited partners to recognize gain, and the limited partners generally have no right to approve or disapprove these transactions.

Tax Status of MAA LP. MAA LP believes that MAA LP has been and will be treated as a partnership for U.S. federal income tax purposes. In connection with the partnership merger, counsel to MAA LP has delivered the opinion described in the discussion below titled Tax Opinions Relating to the Partnership Merger under the heading Material U.S. Federal Income Tax Consequences with respect to MAA LP s status as a partnership for U.S. federal income tax purposes. If MAA LP were instead taxable as a corporation, most, if not all, of the tax consequences described herein would not apply. For instance, the partnership merger could constitute a taxable transaction. Moreover, MAA LP generally would be subject U.S. federal income tax at regular corporate rates on its net income, and distributions to MAA LP unitholders could be materially reduced, thereby affecting the value of MAA LP units. In addition, if MAA LP was taxable as a corporation, MAA would fail to qualify as a REIT under the Code and would instead be taxable as a regular corporation. This would likely have the effect of reducing significantly the value of shares of MAA common stock, which, in turn, would adversely affect the value of MAA LP units (because MAA LP units generally may be redeemed in exchange for shares of MAA common stock or their cash equivalent, at the election of MAA LP).

Other Tax Liabilities of Holders of MAA LP Units. In addition to the federal income tax aspects of the partnership merger, holders of MAA LP units after the partnership merger should consider the potential state and local tax consequences of owning MAA LP units. Tax returns may be required and tax liability may be imposed both in the state or local jurisdictions where such MAA LP unitholder resides and in each state or local jurisdiction in which MAA LP has assets or otherwise does business. Thus, persons holding MAA LP units either directly or through one or more partnerships or limited liability companies may be subject to state and local taxation in a number of jurisdictions in which MAA LP directly or indirectly holds real property and would be required to file periodic tax returns in those jurisdictions. MAA LP also may be required to withhold state income tax from distributions otherwise payable to, or other amounts in respect of, the MAA LP unitholders.

MAA and Colonial face other risks.

The foregoing risks are not exhaustive, and you should be aware that, following the mergers, the Combined Corporation and MAA LP will face various other risks, including those discussed in reports filed by MAA with the SEC, and the risks described in Annexes E, F, G and I to this joint consent solicitation/prospectus. See Where You Can Find More Information beginning on page 182.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint consent solicitation/prospectus and the documents incorporated by reference into this joint consent solicitation/prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which MAA, MAA LP, Colonial and Colonial LP operate and beliefs of, and assumptions made by, MAA management and Colonial management and involve uncertainties that could significantly affect the financial results of MAA, MAA LP, Colonial, Colonial LP or the Combined Corporation. Words such as expects, anticipates, intends, plans, believes, seeks, estimates, variations of such words and similar expressions are intended to such forward-looking statements, which generally are not historical in nature. Such forward-looking statements include, but are not limited to, statements about the anticipated benefits of the business combination transaction involving MAA LP and Colonial LP, including future financial and operating results, and the Combined Corporation s and MAA LP s plans, objectives, expectations and intentions following completion of the mergers. All statements that address operating performance, events or developments that MAA, MAA LP, Colonial and Colonial LP expect or anticipate will occur in the future including statements relating to expected synergies, improved liquidity and balance sheet strength are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although MAA, MAA LP, Colonial and Colonial LP believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, MAA, MAA LP, Colonial and Colonial LP can give no assurance that their expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to:

- each of MAA s, MAA LP s, Colonial s and Colonial LP s success, or the success of the Combined Corporation, in implementing its business strategy and its ability to identify, underwrite, finance, consummate and integrate acquisitions or investments;
- changes in national, regional and local economic climates;
- changes in financial markets and interest rates, or to the business or financial condition of MAA, MAA LP, Colonial and Colonial LP or the Combined Corporation or their respective businesses;
- the nature and extent of future competition;
- each of MAA s, MAA LP s, Colonial s and Colonial LP s ability, or the ability of the Combined Corporation, to pay down, refinance, restructure and/or extend its indebtedness as it becomes due;
- the ability and willingness of MAA, Colonial and the Combined Corporation to maintain its qualification as a REIT due to economic, market, legal, tax or other considerations;
- the ability of each of MAA LP and Colonial LP to maintain its status as a partnership for tax purposes;
- availability to MAA, MAA LP, Colonial and Colonial LP and the Combined Corporation of financing and capital;
- each of MAA s, MAA LP s, Colonial s and Colonial LP s ability, or the ability of the Combined Corporation, to deliver high quality properties and services, to attract and retain qualified personnel and to attract and retain residents and other tenants;

the impact of any financial, accounting, legal or regulatory issues or litigation that may affect MAA, MAA LP, Colonial and Colonial LP or the Combined Corporation;

risks associated with achieving expected revenue synergies or cost savings as a result of the mergers;

risks associated with the companies ability to consummate the mergers, the timing of the closing of the mergers and unexpected costs or unexpected liabilities that may arise from the mergers, whether or not consummated; and

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those additional risks and factors discussed in reports filed with the Securities and Exchange Commission, or the SEC, by MAA from time-to-time, including those discussed under the heading Risk Factors in its most recently filed reports on Forms 10-K and 10-Q.

Should one or more of the risks or uncertainties described above or elsewhere in this joint consent solicitation/prospectus occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint consent solicitation/prospectus.

All forward-looking statements, expressed or implied, included in this joint consent solicitation/prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that MAA, MAA LP, Colonial, Colonial LP or persons acting on their behalf may issue.

None of MAA, MAA LP, Colonial or Colonial LP undertakes any duty to update any forward-looking statements appearing in this joint consent solicitation/prospectus.

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MAA LP CONSENT SOLICITATION

Purpose of the MAA Consent Solicitation

MAA, as the sole general partner of MAA LP, is asking MAA LP unitholders to provide their consent on the approval of two proposals:

- a proposal to approve the merger agreement and the partnership merger; and
- a proposal to approve the amended and restated MAA LP limited partnership agreement.

Who Can Vote to Approve Proposals

MAA LP unitholders are entitled to provide their consent to approve the proposals with respect to their existing MAA LP units if the records of MAA LP showed that the unitholder held his, her or its MAA LP units as of the close of business on August 22, 2013. At the close of business on that date, a total of 1,704,489 MAA LP units were issued and outstanding. Each existing MAA LP unit is entitled to one vote to approve the proposals. The enclosed consent form shows the number of existing MAA LP units that you are entitled to provide their consent.

In order to provide your consent to approve the proposals, please complete, sign and return your consent form in the enclosed preaddressed postage-paid envelope prior to the consent expiration date, which is 11:59 p.m., Central Time, on September 26, 2013. All consent forms must be received by that date.

If an MAA LP unitholder signs and returns a consent form and (1) does not indicate whether the unitholder approves the merger agreement and the partnership merger, the MAA LP unitholder will be deemed to have approved the merger agreement and partnership merger and/or (2) does not indicate whether the unitholder approves the amended and restated MAA LP limited partnership agreement, the MAA LP unitholder approval will be deemed to have approved the amended and restated MAA LP limited partnership agreement.

Required Approvals

In order for MAA and MAA LP to complete the mergers, the holders of at least a majority of the outstanding MAA LP units, which excludes for purposes of the approval all partnership interests held by MAA, must approve the merger agreement and the partnership merger. By approving the merger agreement and the partnership merger, the MAA LP unitholders will also be waiving the provisions of Article 12 of the existing MAA LP limited partnership agreement with respect to the mergers.

In order for MAA LP to complete the partnership merger, the merger agreement also provides that the amended and restated MAA LP limited partnership agreement will be the limited partnership agreement of MAA LP at the time of the partnership merger. The amended and restated MAA LP limited partnership agreement must be approved by the holders of at least 66 2/3rds of the outstanding MAA LP units, which excludes for purposes of the approval all partnership interests held by MAA.

MAA, as the sole holder of Class B Common Units of MAA LP, must approve the merger agreement, the partnership merger and the amended and restated MAA LP limited partnership agreement, in addition to the approvals by the MAA LP unitholders. While MAA has not yet approved the merger agreement, the partnership agreement and the amended and restated MAA LP limited partnership agreement in its capacity as the sole holder of Class B Common Units, MAA is a party to, and bound by the terms of, the merger agreement (which expressly obligates MAA to vote the Class B Common Units in favor of these matters) and it is expected that MAA will deliver its written consent to approve the merger agreement, the partnership agreement and the amended and restated MAA LP limited partnership agreement in such capacity.

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Recommendation of the MAA Board

After careful consideration, the MAA Board, on behalf of MAA in its capacity as the sole general partner of MAA LP, has unanimously determined and declared that the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of MAA LP and its unitholders and approved and adopted the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement. **The MAA Board unanimously recommends that MAA LP unitholders approve the merger agreement and the partnership merger.**

Additionally, the MAA Board has unanimously determined that it is desirable and in the best interests of MAA, MAA LP and the MAA LP unitholders to amend and restate the existing MAA LP agreement of limited partnership and approved the amended and restated MAA LP limited partnership agreement. **The MAA Board unanimously recommends that MAA LP unitholders approve the amended and restated MAA LP limited partnership agreement.**

For a more complete description of the recommendation of the MAA Board, see The Mergers Recommendation of the MAA Board and Its Reasons for the Mergers beginning on page 70.

Voting Agreements

Pursuant to separate voting agreements, certain unitholders of MAA LP, who together as of August 20, 2013 owned approximately 37.37% of the outstanding MAA LP units, have agreed to approve the merger agreement and the amended and restated MAA LP limited partnership agreement, subject to the terms and conditions of the respective voting agreements, as described under Voting Agreements beginning on page 112.

How You May Change Your Decision to Approve the Proposals

An MAA LP unitholder may change his, her or its decision whether to approve the merger agreement, the partnership merger and the amended and restated MAA LP limited partnership agreement, at any time prior to September 27, 2013 by sending a new consent form or other explicit written notice to the corporate Secretary of MAA, the general partner of MAA LP, at 6584 Poplar Avenue, Memphis, Tennessee 38138, in time to be received before 11:59 p.m., Central Time, on September 26, 2013.

Cost of this Consent Solicitation

MAA LP will pay the cost of this consent solicitation. We also expect that several of MAA s employees will solicit limited partners personally and by telephone. None of these employees will receive any additional or special compensation for doing this.

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COLONIAL LP CONSENT SOLICITATION

Purpose of the Colonial LP Consent Solicitation

Colonial, as the sole general partner of Colonial LP, is asking holders of Colonial LP units to provide their consent on the approval of the merger agreement and the partnership merger.

Who Can Vote to Approve Proposals

Colonial LP unitholders are entitled to consent with respect to their Colonial LP units if the records of Colonial LP showed that the unitholder held his, her or its units as of the close of business on August 22, 2013. At the close of business on that date, a total of 95,980,094 Colonial LP units were outstanding and entitled to provide their consent. Each Colonial LP unit has one vote. The enclosed consent form shows the number of existing units that you are entitled to consent.

In order to provide your consent to approve the proposals, please complete, sign and return your consent form in the enclosed preaddressed postage-paid envelope prior to the consent expiration date, which is 11:59 p.m., Central Time, on September 26, 2013. All consent forms must be received by that date.

If a Colonial LP unitholder signs and returns a consent form and does not indicate whether the unitholder approves the merger agreement and the partnership merger, the Colonial LP unitholder will be deemed to have approved the merger agreement and partnership merger.

Required Approvals

The approval of the merger agreement and the partnership merger by Colonial LP s unitholders requires the approval of the holders of at least three-fourths of the outstanding Colonial LP units, including the Colonial LP units held by Colonial. Colonial is the holder of approximately 92.5% of the outstanding Colonial LP units. While Colonial has not yet approved the merger agreement and the partnership merger in its capacity as a holder of Colonial LP units, Colonial is a party to, and bound by the terms of, the merger agreement and it is expected that Colonial will deliver its written consent to approve the merger agreement and the partnership merger in such capacity.

Recommendation of Colonial

After careful consideration, the Colonial Board, on behalf of Colonial in its capacity as the sole general partner of Colonial LP, has unanimously determined that the merger agreement, the partnership merger and the other transactions contemplated thereby are advisable and in the best interests of the Colonial LP unitholders and approved and adopted the merger agreement, the partnership merger and the other transactions contemplated thereby. **Colonial, as the sole general partner of Colonial LP, recommends that Colonial LP unitholders approve the merger agreement and the partnership merger.**

For a more complete description of the recommendation of the Colonial Board, see The Mergers Recommendation of Colonial and Its Reasons for the Mergers beginning on page 73.

Voting Agreements

Pursuant to separate voting agreements, certain unitholders of Colonial LP, who together as of August 20, 2013 owned approximately 3.5% of the outstanding Colonial LP units, including Colonial LP units held by Colonial, have agreed to approve the merger agreement and the partnership merger, subject to the terms and conditions of the respective voting agreements, as described under Voting Agreements beginning on page 112.

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How You May Change Your Decision to Approve the Proposals

A Colonial LP unitholder may change his, her or its decision whether to approve the merger agreement and the partnership merger at any time prior to September 27, 2013 by sending a new consent form or other explicit written notice to the corporate Secretary of Colonial, the sole general partner of Colonial LP, at 2101 Sixth Avenue North, Suite 750, Birmingham, Alabama 35203, in time to be received before 11:59 p.m., Central Time, on September 26, 2013.

Cost of this Consent Solicitation

Colonial LP will pay the cost of this consent solicitation. We also expect that several of Colonial s employees will solicit limited partners personally and by telephone. None of these employees will receive any additional or special compensation for doing this.

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THE COMPANIES

Mid-America Apartment Communities, Inc. and Mid-America Apartments, L.P.

MAA is a Tennessee corporation that has elected to be taxed as a REIT under the Code. MAA owns, acquires, renovates, develops and manages apartment communities in the Sunbelt region of the United States. As of June 30, 2013, MAA owned or owned interests in a total of 163 multifamily apartment communities comprising 49,017 apartments located in 13 states, including four communities comprising 1,156 apartments owned through MAA s joint venture, Mid-America Multifamily Fund II, LLC. MAA also had two development communities under construction totaling 564 units as of June 30, 2013. Total expected costs for the development projects are $73.8 million, of which $37.8 million has been incurred through June 30, 2013. MAA expects to complete construction on the three projects by the fourth quarter of 2014. Four of MAA s properties include retail components with approximately 107,000 square feet of gross leasable area.

MAA s most significant asset is its ownership interest in MAA LP, which, together with its subsidiaries, conduct the operations of a substantial majority of MAA s business, hold a substantial majority of MAA s consolidated assets and generate a substantial majority of MAA s revenues. MAA is the sole general partner of MAA LP and, as of June 30, 2013, owned 40,141,197 common units of partnership interest, or approximately 95.9% of the outstanding partnership interests of MAA LP. Prior to the effective times of the mergers, MAA will contribute all of its assets, with the exception of its ownership interest in MAA LP and certain bank accounts held by MAA, to MAA LP, and as a result, MAA will be structured as a traditional UPREIT.

MAA common stock is listed on the NYSE, trading under the symbol MAA.

MAA was incorporated in the state of Tennessee in 1993, and MAA LP was formed in the state of Tennessee in 1993. MAA s principal executive offices are located at 6584 Poplar Avenue, Memphis, Tennessee 38138, and its telephone number is (901) 682-6600.

OP Merger Sub, an indirect wholly-owned subsidiary of MAA LP, is a Delaware limited partnership formed on May 30, 2013 for the purpose of effecting the partnership merger. Upon completion of the partnership merger, OP Merger Sub will be merged with and into Colonial LP with Colonial LP surviving as an indirect wholly-owned subsidiary of MAA LP. OP Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

Additional information about MAA is included in documents incorporated by reference into this joint consent solicitation/prospectus. See Where You Can Find More Information beginning on page 182. Additional information about MAA LP is included in Annex E and Annex F to this joint consent solicitation/prospectus.

Colonial Properties Trust and Colonial Realty Limited Partnership

Colonial, originally formed as a Maryland REIT on July 9, 1993 and reorganized as an Alabama REIT under the Alabama REIT statute on August 21, 1995, is a self-administered REIT that has elected to be taxed as a REIT under the Code. Colonial is a multifamily-focused self-administered and self-managed equity REIT, which means that it is engaged in the acquisition, development, ownership, management and leasing of multifamily apartment communities and other commercial real estate properties. As of June 30, 2013, Colonial owned or maintained a partial ownership in a total of 115 multifamily apartment communities comprising 34,577 apartments located in 11 states. Additionally, Colonial has seven commercial properties with approximately 1,194,000 square feet of gross leasable area.

Colonial s only material asset is its ownership of limited partnership interests in Colonial LP, which, together with its subsidiaries, conducts all of Colonial s business, holds all of Colonial s consolidated assets and generates all of Colonial s revenues. Colonial is the sole general partner of Colonial LP and, as of June 30, 2013, owned approximately 92.5% of the outstanding partnership interests of Colonial LP.

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Colonial common shares are listed on the NYSE, trading under the symbol CLP.

Colonial s principal executive offices are located at 2101 Sixth Avenue North, Suite 750, Birmingham, Alabama 35203, and its telephone number is (205) 250-8700.

Additional information about Colonial and its subsidiaries, including regarding its business, properties, legal proceedings, financial statements, financial condition and results of operations, changes in and disagreements with accountants on accounting and financial disclosure, and disclosures regarding market risk, is set forth in Colonial LP s annual report on Form 10-K for the fiscal year ended December 31, 2012 (excluding Items 6, 7 and 8), its current report on Form 8-K filed with the SEC on August 21, 2013, and its quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2013, which are included herewith as Annex G, Annex H and Annex I, respectively, and which are each incorporated herein by reference. See also Where You Can Find More Information beginning on page 182.

The Combined Corporation

The Combined Corporation will be named Mid-America Apartment Communities, Inc. and will be a Tennessee corporation that will be a self-administered REIT, structured as a traditional UPREIT, which has elected to be taxed as a REIT under the Code. The Combined Corporation is a Sunbelt-focused, publicly traded, multifamily REIT with enhanced capabilities to deliver value for residents, shareholders and employees. The Combined Corporation is expected to have a pro forma equity market capitalization of approximately $5.1 billion, and a total market capitalization in excess of $8.6 billion. The Combined Corporation s asset base will consist primarily of approximately 85,000 multifamily units in 285 properties. The Combined Corporation will maintain strategic diversity across large and secondary markets within the high growth Sunbelt region of the United States. The Combined Corporation s ten largest markets are expected to be Dallas/Ft. Worth, Atlanta, Austin, Raleigh, Charlotte, Nashville, Jacksonville, Tampa, Orlando and Houston.

The business of the Combined Corporation will be operated through MAA LP and its subsidiaries. On a pro forma basis giving effect to the mergers, the Combined Corporation will own an approximate 94.6% partnership interest in MAA LP and, as its sole general partner, the Combined Corporation will have the full, exclusive and complete responsibility for and discretion in the day-to-day management and control of MAA LP.

The common stock of the Combined Corporation will be listed on the NYSE, trading under the symbol MAA.

The Combined Corporation s principal executive offices will be located at 6584 Poplar Avenue, Memphis, Tennessee 38138, and its telephone number will be (901) 682-6600.

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THE MERGERS

The following is a description of the material aspects of the mergers. We believe that the following description covers the material terms of the mergers, the description may not contain all of the information that is important to MAA LP unitholders and Colonial LP unitholders. We encourage MAA LP unitholders and Colonial LP unitholders to carefully read this entire joint consent solicitation/prospectus, including the merger agreement and the other documents attached to this joint consent solicitation/prospectus and incorporated herein by reference, for a more complete understanding of the mergers.

General

Each of the MAA Board, on behalf of MAA in its capacity as the sole general partner of MAA LP, and the Colonial Board, in its capacity as the sole general partner of Colonial LP, has unanimously approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement. Subject to the terms and conditions of the merger agreement, OP Merger Sub, a subsidiary of MAA LP, will merge with and into Colonial LP with Colonial LP continuing as the surviving entity and an indirectly wholly owned subsidiary of MAA LP. The merger agreement also provides that Colonial will merge with and into MAA, with MAA surviving. The Merger Agreement Merger Consideration; Effects of the Parent Merger and the Partnership Merger.

Under the merger agreement, in the partnership merger, each limited partner interest in Colonial LP designated as a Class A Unit and a Partnership Unit under the limited partnership agreement of Colonial LP, which we refer to in this joint consent solicitation/prospectus as Colonial LP units, issued and outstanding immediately prior to the effectiveness of the partnership merger (other than limited partner interests owned by Colonial) will be converted into Class A common units in MAA LP, which we refer to in this joint consent solicitation/prospectus as new MAA LP units, in an amount equal to (x) 1 multiplied by (y) the 0.36, and each holder of new MAA LP units will be admitted as a limited partner of MAA LP in accordance with the terms of the amended and restated MAA LP limited partnership agreement following the effectiveness of the partnership merger.

As of August 20, 2013, the Colonial executive officers and Colonial trustees beneficially owned, in the aggregate, 3,893,154 Colonial LP units. If all of the Colonial LP units beneficially owned by the Colonial executive officers and Colonial trustees as of August 20, 2013 were converted to new MAA LP units in connection with the partnership merger, then the Colonial executive officers and Colonial trustees would receive an aggregate of 1,401,535 new MAA LP units.

As of the effective time of the partnership merger, MAA LP will enter into the amended and restated MAA LP limited partnership agreement, pursuant to which, among other things, the new MAA LP units received by holders of Colonial LP units in the partnership merger will become convertible into an amount of cash equal to the value of a corresponding number of shares of MAA common stock, or, at the option of MAA, the corresponding number of shares of MAA common stock. See The Merger Agreement Merger Consideration; Effects of the Parent Merger and the Partnership Merger Merger Consideration beginning on page 91.

Background of the Mergers

The boards and management teams of Colonial and MAA periodically and in the ordinary course have evaluated and considered a variety of financial and strategic opportunities as part of their respective long-term strategies to enhance value for their shareholders.

Prior to April 2012, Colonial from time to time engaged in discussions regarding a variety of possible business opportunities, including discussions with other companies in Colonial s industry. These discussions ranged from possible commercial or partnering arrangements to possible acquisitions by or of Colonial or other business combination transactions. Colonial received, on occasion, unsolicited inquiries from third parties

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regarding possible business combinations or other strategic transaction opportunities. On occasion prior to April 2012, as part of its ongoing evaluation of its business strategy and business opportunities, Colonial engaged in discussions regarding possible strategic transactions, including discussions with another public multifamily REIT, referred to in this joint consent solicitation/prospectus as Company A, and a real estate investment and management services firm, referred to in this joint consent solicitation/prospectus as Company B, which in each case were both brief and preliminary.

In January 2012, Colonial received an unsolicited letter addressed to the executive committee of the Colonial Board from the chairman and chief executive officer of a national operator of multifamily apartments, referred to in this joint consent solicitation/prospectus as Company C. The letter expressed an interest in exploring a potential business combination with Colonial and specified an initial indication of value of $22 to $25 in cash per outstanding Colonial common share, noting that the ultimate valuation determination would be made following completion of Company C s diligence review. The letter did not contain any other terms regarding a proposed combination. The Colonial Board, of which Mr. Thomas H. Lowder Colonial s Chief Executive Officer serves as chairman, discussed the letter from Company C during its regular, in person board meeting at Colonial s headquarters in Birmingham, Alabama on January 24, 2012, at which meeting a representative of Colonial s outside legal advisor, Hogan Lovells US LLP, herein referred to as Hogan Lovells, was present telephonically. Based on the preliminary nature of Company C s expression of interest and its lack of material terms other than a preliminary indication of value, the Colonial Board s view that the price range expressed in the letter was inadequate for a sale transaction of this type, Company C s need for significant additional third party financing as part of an acquisition of Colonial and the impact on timing and certainty that would result from significant third party involvement, Colonial management s familiarity with Company C and its concern with Company C s ability to structure a public company acquisition of this size and consummate a transaction of this complexity, the Colonial Board determined not to proceed with further discussions with Company C at that time.

Beginning in the spring 2012, Colonial s improved financial position, resulting from Colonial s improved operating performance and reduced debt levels, improvements in general economic conditions and financial markets and strong multifamily industry fundamentals led the Colonial Board to assess its current business strategy in light of other possible strategic alternatives. At Colonial s regular, in person board meeting at Colonial s headquarters in Birmingham on April 25, 2012, the Colonial Board invited BofA Merrill Lynch to discuss with the Colonial Board potential strategic alternatives for Colonial and subsequently engaged BofA Merrill Lynch as Colonial s financial advisor. Representatives of Hogan Lovells and Edward Hardin, co-general counsel of Colonial, and counsel with Burr & Forman LLP, herein referred to as Burr Forman, were also present. Potential strategic alternatives discussed at this meeting included potential sale, merger and acquisition opportunities. During the discussion, the Colonial Board further discussed Colonial s improved financial position, improvements in the financial markets and strong multifamily industry fundamentals as well as the potential benefits to Colonial shareholders if a transaction were structured to allow them to continue to participate in the ongoing success of Colonial s business. As a result, the discussions were focused principally on the possibility of a strategic combination transaction with other multifamily REITs, including MAA and Company A. Following this discussion, the Colonial Board authorized Mr. Lowder to contact representatives of MAA and Company A in an effort to determine whether there was interest by either such party in discussing a possible strategic combination transaction with Colonial.

In early May 2012, Mr. Lowder spoke by telephone with the chief executive officer of Company A. Mr. Lowder and the chief executive officer of Company A discussed the multifamily industry generally, as well as their respective companies. During this discussion, Mr. Lowder inquired whether Company A would have interest in considering a possible strategic combination of the two companies. This discussion was limited to a preliminary inquiry and did not address any specific terms of a possible transaction. At the end of the discussion, Mr. Lowder suggested that the chief executive officer of Company A contact Mr. Lowder if Company A was interested in engaging in further discussions regarding a possible strategic combination with Colonial. After this discussion, the chief executive officer of Company A did not contact Mr. Lowder or Colonial to engage in further discussions, and representatives of Colonial and Company A did not engage in further discussions regarding a potential strategic combination transaction.

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On May 9, 2012, Mr. Lowder contacted H. Eric Bolton, Jr., Chairman and Chief Executive Officer of MAA, to inquire about whether MAA would be interested in exploring a potential strategic combination transaction with Colonial. As part of this conversation, Messrs. Lowder and Bolton discussed the potential strategic merits of combining the companies to create a leading Sunbelt-focused multifamily REIT. During the subsequent week, Mr. Bolton contacted each director of MAA individually by telephone to inform them of his conversation with Mr. Lowder and advise them that a potential strategic transaction with Colonial would be discussed at the next regular quarterly meeting of the MAA Board.

Subsequent to the May 9, 2012 meeting, Messrs. Bolton and Lowder contacted each other by telephone and email to make arrangements for an in person meeting to discuss a potential strategic combination transaction between MAA and Colonial further.

On May 24, 2012, the MAA Board held a regular quarterly meeting in Memphis with members of senior management and representatives of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, herein referred to as Baker Donelson. At this meeting, Mr. Bolton summarized his communications with Mr. Lowder and made a presentation to the MAA Board that provided a preliminary overview of Colonial including, among other things, information regarding Colonial s history, strategy, core and non-core properties, financial condition, management and trustees. The MAA Board further discussed its interest in a potential strategic transaction with Colonial, but also discussed that it would likely not be interested in owning Colonial s non-core assets long-term. The MAA Board then reviewed several financial metrics for Colonial and MAA and also reviewed Colonial s publicly available financial statements. Next, Mr. Bolton and the MAA Board discussed the potential impact of combining the MAA and Colonial portfolios and certain terms of a potential strategic combination transaction, including conditions, pricing, synergies and costs with respect to such potential transaction. Mr. Bolton then reviewed with the MAA Board certain considerations for a potential transaction with Colonial, including potential benefits to MAA and its shareholders and integration and other challenges associated with a potential strategic combination transaction with Colonial.

On July 11, 2012 and July 12, 2012, Messrs. Bolton and Lowder met in Memphis to discuss a potential strategic combination transaction. Messrs. Bolton and Lowder discussed, among other things, the location of the Combined Corporation s corporate headquarters, key executive positions of MAA and Colonial, synergy opportunities from the combination of MAA s and Colonial s respective platforms, MAA s and Colonial s respective portfolios and strategies, the likely future of the publicly-traded apartment sector and scale-related advantages.

In mid-July, 2012, Mr. Lowder received and returned an unsolicited telephone call from the chairman and chief executive officer of Company C. The chairman and chief executive officer of Company C expressed interest in meeting with Mr. Lowder to discuss a possible strategic acquisition transaction. Mr. Lowder informed the chairman and chief executive officer of Company C of the Colonial Board s concerns with respect to a proposed transaction with Company C and declined to engage in a substantive discussion regarding a possible strategic acquisition transaction with Company C. After this discussion, Mr. Lowder did not have any further discussions with the chairman and chief executive officer of Company C.

On July 25, 2012, the Colonial Board held a regular, in person meeting at Colonial s headquarters in Birmingham with Mr. Hardin present. During this meeting, Mr. Lowder updated the Colonial Board regarding developments since the April 2012 Board meeting, including Mr. Lowder s telephone discussion in May 2012 with the chief executive officer of Company A. Mr. Lowder also updated the Colonial Board regarding Mr. Lowder s communications with Mr. Bolton regarding a possible strategic business combination transaction. Mr. Lowder also reported to the Colonial Board regarding his telephone discussion in mid-July with the chairman and chief executive officer of Company C. Following discussion, the Colonial Board determined that Colonial should continue to consider the possibility of a strategic combination with MAA and authorized Mr. Lowder to continue preliminary discussions with MAA regarding a potential strategic business combination transaction.

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On July 31, 2012, the MAA Board held a special telephonic meeting with members of senior management and representatives of Baker Donelson. During the meeting, Mr. Bolton provided a summary to the MAA Board of the meetings with Mr. Lowder and other developments related to evaluating a possible strategic combination transaction with Colonial.

On August 15, 2012, the MAA Board held a special telephonic meeting with members of senior management and representatives of Baker Donelson during which Mr. Bolton updated the MAA Board on his August 8, 2012 call with Mr. Lowder. The MAA Board then discussed the engagement of legal and financial advisors.

On or about August 16, 2012, pursuant to the recommendations of the MAA Board, Mr. Bolton contacted Goodwin Procter LLP, herein referred to as Goodwin Procter, and J.P. Morgan to act as counsel and financial advisor, respectively, for MAA in a potential strategic combination transaction with Colonial.

On August 28, 2012, the MAA Board held a special telephonic meeting with members of senior management and representatives of Baker Donelson. During the meeting, Mr. Bolton updated the MAA Board that the Colonial Board was expected to meet to discuss potential strategic alternatives for Colonial. Mr. Bolton then summarized his recent discussions with J.P. Morgan regarding its preliminary assessment of the feasibility and potential structure of a proposal to Colonial. The MAA Board next discussed valuation and structuring options for a proposed strategic combination transaction with Colonial and potential earnings impact of a transaction on MAA.

On August 30, 2012, the Colonial Board held an in person meeting in Atlanta, Georgia with Mr. Hardin and representatives of BofA Merrill Lynch present. During this meeting, the Colonial Board reviewed and discussed Colonial s business plan and strategy and potential strategic alternatives. Potential strategic alternatives discussed at this meeting included potential sale, merger and acquisition opportunities. As part of this discussion, Colonial s financial advisor discussed financial matters relating to a possible strategic transaction with MAA or Company A. Mr. Lowder reminded the Colonial Board of Mr. Lowder s various communications with Mr. Bolton since May 2012, as well as Mr. Lowder s telephone discussion in May 2012 with the chief executive officer of Company A. The Colonial Board also discussed certain issues associated with a cash sale transaction or auction process, including the risks and uncertainties associated with a buyer s financing of a cash sale transaction and the potential detrimental effects on Colonial s business from solicitation activities that occur prior to entering into and announcing a transaction. Following this discussion, the Colonial Board determined that Colonial should continue pursuing a strategy that offers Colonial shareholders the prospect of continued participation in long-term value creation. The Colonial Board also agreed that Colonial should continue preliminary discussions with MAA regarding the possibility of a strategic business combination transaction.

On September 11, 2012, Messrs. Bolton and Lowder, together with Albert M. Campbell III, Executive Vice President and Chief Financial Officer of MAA, and John W. Spiegel, an independent trustee of Colonial, met in Atlanta. Messrs. Bolton, Lowder, Campbell and Spiegel discussed the state of the apartment industry generally and potential business strategies. Messrs. Bolton and Campbell indicated that the parties would need to sign a confidentiality agreement and exchange information before MAA provided a written proposal for a potential strategic combination transaction.

On September 18, 2012, the MAA Board held a special in person meeting with members of senior management and representatives of J.P. Morgan, Goodwin Procter and Baker Donelson present in person or by telephone. Mr. Bolton provided a summary to the MAA Board of his meeting with Messrs. Lowder and Spiegel. Representatives of J.P. Morgan next presented a preliminary financial analysis relating to a potential strategic combination transaction with Colonial. The MAA Board also discussed with J.P. Morgan the strategic rationale of a potential transaction, certain preliminary financial information on each of MAA and Colonial, structural considerations and possible next steps in exploring a strategic combination transaction with Colonial. The MAA Board then instructed Mr. Bolton to continue discussions with Mr. Lowder regarding a strategic combination transaction.

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On September 21, 2012, Messrs. Bolton and Lowder spoke by telephone. Mr. Bolton indicated that MAA was interested in pursuing a strategic combination transaction with Colonial given the strategic merits of the combination. During the conversation, Mr. Bolton highlighted that in order to proceed, both parties would need to share confidential information in order to best assess the opportunity. Mr. Bolton also noted that, given the strategic nature of the proposed transaction, both the anticipated level of synergies and the valuation of both MAA and Colonial would be important considerations in connection with evaluating whether to proceed with the proposed combination. Mr. Lowder indicated that the Colonial Board would further discuss a proposed strategic combination transaction with MAA.

On October 24, 2012, the Colonial Board held a regular, in person meeting at Colonial s headquarters in Birmingham with Mr. Hardin present. During this meeting, Mr. Lowder updated the Colonial Board regarding the status of discussions with MAA since the August 30th Colonial Board meeting. Following discussion, the Colonial Board authorized Colonial management to enter into a confidentiality agreement with MAA to permit the exchange of non-public information in connection with the Colonial Board s ongoing consideration of a possible strategic combination transaction with MAA.

On October 25, 2012, Mr. Lowder contacted Mr. Bolton by telephone and Mr. Lowder advised that Colonial was prepared to execute a confidentiality agreement, exchange further information and begin negotiations for a proposed strategic combination transaction.

On October 30, 2012, MAA and Colonial, with the assistance of their respective advisors, negotiated and entered into a confidentiality agreement that included mutual standstill and confidentiality restrictions.

On November 12, 2012, MAA and Colonial provided one another with access to an electronic data room containing due diligence materials.

On November 19, 2012, Mr. Bolton provided a written update to the MAA Board describing, among other things, the due diligence review of materials provided by Colonial in its electronic data room.

On November 27, 2012, Messrs. Bolton and Lowder met in Memphis to discuss considerations related to the proposed strategic combination transaction, including potential synergies and timing considerations. As part of the meeting, Mr. Lowder requested an outline of the basic terms of a transaction proposal.

Also on November 27, 2012, the management teams of both MAA and Colonial held a telephonic meeting with representatives of J.P. Morgan and BofA Merrill Lynch present to review the non-core assets owned and controlled by Colonial.

On December 4, 2012, the MAA Board held an in person regular quarterly meeting in Memphis with members of senior management and representatives of Baker Donelson, with representatives from J.P. Morgan and Goodwin Procter participating by telephone. Representatives from J.P. Morgan reviewed the discussions and meetings that had been held since the last MAA Board meeting and presented a preliminary financial analysis of Colonial. The MAA Board discussed a proposed draft non-binding term sheet, as well as Colonial s non-core assets, operating strategy and potential synergies that could result from the proposed combination with Colonial. Representatives from Goodwin Procter then discussed legal matters surrounding the term sheet with the MAA Board, including board composition, proposed conditions precedent to closing and mutual non-solicitation of competing transactions.

Also on December 4, 2012, the Nominating and Corporate Governance Committee of the MAA Board held a meeting to discuss the potential composition of the Combined Corporation s board of directors in a proposed transaction with Colonial and a potential waiver of the MAA Board s age limitation for General John S. Grinalds so that he could remain a member of the MAA Board for an additional year to assist in matters related to the proposed strategic transaction with Colonial.

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On December 10, 2012, the MAA Board held a special telephonic meeting with members of senior management and representatives from J.P. Morgan, Goodwin Procter and Baker Donelson. Representatives of J.P. Morgan presented materials to the MAA Board containing, among other things, preliminary financial analyses relating to a combination between MAA and Colonial. The MAA Board then discussed various aspects of a proposed non-binding term sheet with Colonial. Following the discussion, the MAA Board authorized Mr. Bolton to deliver the non-binding term sheet to Colonial, proposing an exchange ratio of 0.340 of a share of MAA common stock per outstanding Colonial common share.

On December 11, 2012, MAA submitted the non-binding term sheet to Colonial, which provided for, among other things, an exchange ratio of 0.340 of a share of MAA common stock per outstanding Colonial common share and that the Combined Corporation would retain the MAA name and management team.

Also on December 11, 2012, Messrs. Bolton and Lowder met in Birmingham to discuss the material terms of the non-binding term sheet and to explain the rationale for those terms. Following the meeting, Mr. Bolton provided a written update to the MAA Board regarding his conversation with Mr. Lowder.

On December 12, 2012, at MAA s and Colonial s request, representatives from J.P. Morgan and BofA Merrill Lynch met to discuss the proposed financial terms presented by MAA to Colonial, including a review of financial metrics.

On December 16, 2012, the Colonial Board held a special telephonic meeting with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. The Colonial Board reviewed and discussed the proposed strategic combination with MAA as well as the MAA proposal received on December 11th. BofA Merrill Lynch discussed with the Colonial Board, among other things, financial matters relating to Colonial and financial terms and other aspects of MAA s proposal. During this meeting, the Colonial Board reviewed certain valuation approaches utilized by MAA and Colonial, including assumptions regarding, among other things, anticipated growth and expected synergies. The Colonial Board members also reviewed and discussed a proposed response to MAA s exchange ratio proposal. In addition, the Colonial Board members discussed that, under the MAA proposal, MAA s management would have responsibility for management of the Combined Corporation and MAA s board members would constitute a majority of the initial members of the board of directors of the Combined Corporation. Following discussion, the Colonial Board determined to propose an alternative exchange ratio of 0.370 of a share of MAA common stock for each outstanding Colonial common share, which reflected an implied value of approximately $23.40 per Colonial common share as of December 14, 2012.

On December 17, 2012, Colonial submitted a counterproposal to MAA, which provided for, among other things, an exchange ratio of 0.370 of a share of MAA common stock per outstanding Colonial common share.

On December 17, 2012 and December 19, 2012, Messrs. Bolton and Lowder met both in person in Memphis and by telephone to discuss the terms of Colonial s counterproposal.

On December 19, 2012, the MAA Board held a special telephonic meeting with members of senior management and representatives from J.P. Morgan, Goodwin Procter and Baker Donelson. Mr. Bolton summarized for the MAA Board the meetings and discussions that had occurred since the previous MAA Board meeting and reviewed the counterproposal received from Colonial. The MAA Board then discussed the terms of Colonial s counterproposal, including its assumptions and exchange ratio. Mr. Bolton also discussed the factors considered in establishing the exchange ratio and emphasized the need for any potential transaction with Colonial to create value for MAA shareholders. Representatives from J.P. Morgan next presented a preliminary financial analysis of the counterproposal and an analysis of the proposed transaction at different exchange ratios. The MAA Board then discussed various exchange ratios that would create value for MAA shareholders. The MAA Board then formally authorized Mr. Bolton to continue discussions with Colonial.

On December 20, 2012, Mr. Bolton delivered to Mr. Lowder a letter in response to Colonial s counterproposal outlining the strategic rationale for the proposed transaction and providing for an exchange ratio of 0.349 of a share of MAA common stock per outstanding Colonial common share.

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On December 21, 2012, the Colonial Board held a telephonic meeting, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, Mr. Lowder summarized his recent discussions with Mr. Bolton and MAA s December 20 written response. The Colonial Board members discussed MAA s written response, including MAA s rationale in support of its exchange ratio proposal and synergy assumptions included in such written response. BofA Merrill Lynch discussed with the Colonial Board, among other things, financial terms of the MAA proposal, the relative contributions of Colonial and MAA to the Combined Corporation and certain related financial matters. During this discussion, the legal advisors discussed with the Colonial Board certain fiduciary considerations in the context of the Colonial Board s consideration of a potential strategic combination transaction. The Colonial Board also discussed various alternative exchange ratios and resulting implied premiums and authorized Mr. Lowder to propose an exchange ratio of 0.360 of a share of MAA common stock for each outstanding Colonial common share, which reflected an implied value of approximately $23.25 per Colonial common share as of December 20, 2012.

On December 23, 2012, Mr. Lowder delivered to Mr. Bolton Colonial s revised counterproposal, which provided for an exchange ratio of 0.360 of a share of MAA common stock per outstanding Colonial common share.

On December 27, 2012, the MAA Board held a special telephonic meeting with members of senior management. Mr. Bolton reviewed the events that had occurred since the previous MAA Board meeting and reviewed Colonial s counterproposal delivered on December 23, 2012. The MAA Board discussed the changed assumptions reflected in Colonial s counterproposal and resulting impact on value for MAA shareholders. Mr. Bolton then discussed the factors considered in establishing the exchange ratio and discussed the due diligence that would be conducted to evaluate the underlying assumptions. Mr. Bolton then discussed with the MAA Board a range of exchange ratios that would provide sufficient value to MAA shareholders. After the discussions, the MAA Board authorized Mr. Bolton to continue discussions with Colonial.

Also on December 27, 2012, Messrs. Bolton and Lowder spoke by telephone. Messrs. Bolton and Lowder discussed Colonial s counterproposal from December 23, 2012 and Mr. Bolton proposed an exchange ratio of 0.3545 of a share of MAA common stock per outstanding Colonial common share, reflecting the midpoint between the 0.349 exchange ratio last proposed by MAA and the 0.360 exchange ratio last proposed by Colonial. Mr. Lowder informed Mr. Bolton that, based on the discussions with the Colonial Board, Colonial was not in a position to proceed with further discussions regarding a possible strategic transaction based on MAA s proposal, and discussions were terminated.

Between early January 2013 and late March 2013, Colonial s management team and financial advisor received several unsolicited inquiries via telephone and e-mail from third parties inquiring whether Colonial had an interest in considering a strategic transaction. None of these unsolicited inquiries included a proposed price or price range or other proposed terms of a potential transaction or, except in the case of Company B and Company D, resulted in any further discussions. The Colonial Board or, as noted below, the executive committee of the Colonial Board, herein referred to as the Colonial Executive Committee, considered and discussed each of these communications and, except with respect to Company B and Company D, decided, given the absence of any proposed terms and the uncertainty regarding any such party s ability to complete such a strategic transaction with Colonial, not to pursue discussions with the inquiring parties.

On January 21, 2013, Mr. Bolton provided a written update to the MAA Board regarding the proposed strategic combination transaction with Colonial. Mr. Bolton advised the MAA Board that no further discussions had been held with Colonial since December 27, 2012. Mr. Bolton summarized MAA s most recent proposal to Colonial and the key metrics supporting that proposal. Mr. Bolton advised that, although the opportunity could re-emerge later, MAA would not actively pursue the proposed strategic transaction with Colonial at that time.

On January 29, 2013, Colonial s financial advisor received an unsolicited written inquiry from the chief executive officer of a real estate management company, referred to in this joint consent solicitation/prospectus as

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Company D, indicating that Company D was interested in exploring a potential all-cash acquisition of Colonial. The unsolicited written inquiry indicated that the all-cash amount would be at a premium to Colonial s then current stock price, but did not include a proposed price, price range or other specific terms of a potential transaction. On or about January 30, 2013, Mr. Lowder received and returned an unsolicited telephone call from the chief executive officer of Company D. During the telephone call, the chief executive officer of Company D inquired whether Colonial was interested in discussing a potential sale of Colonial. Given the preliminary nature of Company D s expression of interest, including the absence of a proposed price, price range or other specific terms in Company D s January 29 letter, as well as concerns regarding Company D s ability to structure and complete an acquisition of Colonial, Colonial did not engage in further substantive discussions with Company D regarding a possible sale transaction at that time. On March 8, 2013, Colonial received an unsolicited joint letter from Company D and a private equity investment firm aligned with Company D, which letter expressed interest in exploring a potential all-cash acquisition of Colonial at a premium to Colonial s then current stock price. The March 8th letter did not include a proposed price, price range or other specific terms of a potential transaction. As described further below, the Company D expression of interest was reviewed and considered by the Colonial Executive Committee on March 12, 2013.

During February 2013, Messrs. Bolton and Lowder spoke briefly by telephone and conveyed to each other that their respective companies had not considered a proposed strategic combination transaction of the companies since negotiations had ceased in late 2012.

On February 22, 2013, Mr. Lowder received an unsolicited telephone call from the chief financial officer of Company B, expressing Company B s interest in a potential acquisition of Colonial in an all-cash transaction at a premium to Colonial s then current stock price. The chief financial officer of Company B indicated that Company B would not involve third party partners in the transaction, and that Company B would have a preliminary price or price range to share with Colonial within a few weeks. In addition, Company B s chief financial officer proposed that Company B and Colonial enter into a confidentiality agreement in order to proceed with negotiations for a potential transaction.

On February 26, 2013, Mr. Bolton sent a regular monthly update to the MAA Board regarding the possibility of increased REIT mergers and acquisitions activity generally and provided the MAA Board with an update on the conversation that Mr. Bolton had with Mr. Lowder.

On or about March 11, 2013, Mr. Lowder and another Colonial employee met over dinner with Mr. Bolton during an industry conference. During this dinner, Mr. Lowder and Mr. Bolton discussed certain matters related to the industry in general, but did not discuss the prior discussions between the two companies regarding a potential strategic combination transaction.

On March 12, 2013, the Colonial Executive Committee held a telephonic meeting with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, Mr. Lowder discussed with the Colonial Executive Committee the various unsolicited inquiries received from third parties since January 2013, including the inquiries from Company D and Company B. In addition, Mr. Lowder reported on his dinner meeting with Mr. Bolton the previous evening. The Colonial Executive Committee members then engaged in a discussion regarding Colonial s strategic direction and the expressions of interest from each of Company D and Company B. The Colonial Executive Committee members also engaged in a discussion regarding the differences between an all-cash sale transaction of the type proposed by Company D and Company B and a stock-for-stock business combination transaction of the type previously discussed with MAA. During this discussion, the legal advisors discussed with the Colonial Executive Committee certain fiduciary considerations pertaining to members of the Colonial Board when it receives an unsolicited expression of interest regarding a potential strategic combination transaction. BofA Merrill Lynch discussed with the Colonial Executive Committee, among other things, certain preliminary financial considerations with respect to Company D s and Company B s respective expressions of interest. Based on the preliminary nature of Company D s expression of interest, as well as Colonial management s familiarity with Company D and the private equity investment firm aligned with Company D, concerns regarding Company D s ability to structure and complete an acquisition of Colonial,

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taking into account the private equity investment firm s involvement, and the importance of certainty of closing and the ability to timely complete a transaction, the Colonial Executive Committee determined not to proceed with discussions with Company D at that time. Based on Colonial management s familiarity and experience with Company B, particularly with respect to executing large, complex transactions, and views regarding Company B s ability to structure and complete a transaction with Colonial, the Colonial Executive Committee authorized Mr. Lowder to inform Company B that it would need to submit its proposal in writing, and include a price and other material terms and details regarding equity and debt sources, timing and diligence requirements, if it was to be considered by the Colonial Board, noting that certainty of closing and the ability to move quickly to complete a transaction should be stressed to Company B. The Colonial Executive Committee also determined that, given that no written proposal had been submitted, Colonial would not, at that time, engage in negotiations with Company B regarding the terms of its expression of interest or enter into a confidentiality agreement or exchange non-public information with Company B.

On March 13, 2013, Mr. Lowder, together with representatives of BofA Merrill Lynch, spoke by telephone with the chief financial officer of Company B. Mr. Lowder informed the chief financial officer of Company B that it would need to submit its proposal in writing, and include a price and other material terms, including details regarding equity and debt sources, timing and diligence requirements, if it was to be considered by the Colonial Board. Mr. Lowder also stressed the importance of certainty of closing and the ability to quickly complete a transaction. The chief financial officer of Company B indicated that it intended to arrange for an insurance company to provide bridge financing, that Company B intended to fund 50% of the equity financing from an existing investment fund and involve several other third party investors to provide the remaining equity financing and that Company B was evaluating the existing covenants applicable to Colonial s outstanding debt instruments to determine whether to seek to modify any of the covenants in connection with a potential transaction. The chief financial officer of Company B also stated that Company B would agree, in the event that Company B and Colonial ultimately entered into a definitive agreement for a sale transaction, to include in such definitive agreement a provision, commonly known as a go shop provision, that would allow Colonial an opportunity to engage in a post-signing effort to solicit higher bids from potential acquirors.

On March 28, 2013, Mr. Lowder received a letter from Company B expressing Company B s interest in a potential acquisition of Colonial in an all-cash transaction. The letter proposed that Company B would acquire all of the outstanding Colonial common shares and all outstanding limited partner interests in Colonial LP for $26.00 per share, which represented a 15% premium to the closing price of Colonial common shares on March 26, 2013. The letter also noted that Company B intended to capitalize the transaction through a combination of equity (including roll-over equity from existing limited partners of Colonial LP), new mortgage debt and the assumption of Colonial s existing debt, that existing limited partners of Colonial LP would have the option to roll-over their interests, in a transaction intended to constitute a tax-deferred exchange, into units of a reconstituted partnership or similar entity, and that Company B s proposal was subject to satisfactory completion of diligence (for which Company B requested a 60-day exclusivity period) and negotiation and execution of definitive documentation. The letter did not address several of the significant terms and conditions discussed on March 13th with Company B s chief financial officer, including with respect to debt and equity sources or the inclusion of a go shop provision in definitive documentation.

On April 2, 2013, Mr. Lowder, together with representatives of BofA Merrill Lynch, spoke by telephone with the chief financial officer of Company B. At Mr. Lowder s request, the chief financial officer of Company B provided additional information regarding certain aspects of Company B s March 28 letter, including with respect to Company B s proposed debt and equity financing requirements and sources, Company B s internal approval process, the proposed ultimate capital structure including Company B s intention to engage a third party operator to manage Colonial s properties, Company B s lender due diligence requirements and timing. Company B s chief financial officer noted that Company B had identified a private company to operate the Colonial properties, but had not engaged outside legal and financial advisors regarding a possible transaction with Colonial, and confirmed Company B s willingness to include a go shop provision in the definitive transaction document relating to the acquisition.

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On April 4, 2013, Mr. Lowder met with a representative of J.P. Morgan in Birmingham where they discussed the real estate capital markets generally, the asset sale environment, and the strategic transaction discussions between MAA and Colonial in late 2012. As part of that discussion, Mr. Lowder indicated that Colonial was moving forward with its current business strategy as a stand-alone company and, if MAA continued to have an interest in a strategic combination transaction with Colonial, it should indicate that interest.

On April 8, 2013, the Colonial Board held a telephonic meeting at which Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells were present. During this meeting, Mr. Lowder discussed with the Colonial Board the various unsolicited inquiries received from third parties since January 2013, including the inquiries from Company D and Company B and reported on the discussion of these unsolicited inquiries by the Colonial Executive Committee during its March 8th meeting, including the Colonial Executive Committee s reasons for deciding not to pursue discussions with Company D and to continue discussions with Company B. The Colonial Board then considered the following potential strategic alternatives: (1) continue to pursue Colonial s existing business strategy as an independent, stand-alone company and not engage in any strategic transactions with any third parties; (2) continue to pursue Colonial s existing business strategy as an independent, stand-alone company, but make certain adjustments to that business strategy to help further strengthen Colonial s financial position, and not engage in any strategic transactions with any third parties; (3) explore a possible strategic combination transaction with MAA; or (4) explore a possible sale transaction with Company B or another third party. BofA Merrill Lynch discussed with the Colonial Board, among other things, certain preliminary financial considerations in connection with such potential strategic alternatives. During this discussion, the legal advisors discussed with the Colonial Board certain fiduciary considerations pertaining to members of the Colonial Board in the context of considering strategic combination transactions and sale transactions, including the differences between an all-cash sale transaction of the type proposed by Company D and Company B and a stock-for-stock business combination transaction of the type previously discussed with MAA. The Colonial Board also discussed the specific terms and conditions of Company B s written expression of interest received on March 28th, including the matters discussed on April 2nd with Company B s chief financial officer. Following this discussion, the Colonial Board authorized Mr. Lowder to continue preliminary discussions regarding a potential transaction with Company B. The Colonial Board also authorized Mr. Lowder to contact MAA to determine whether MAA was interested in reengaging in discussions regarding a strategic combination transaction.

In addition, during the April 8, 2013 Colonial Board meeting, the Colonial Board established two separate committees with respect to consideration of a possible strategic transaction: (1) a transaction committee, herein referred to as the Colonial Transaction Committee, consisting of Messrs. T. Lowder, Bailey, Crawford and Spiegel, to help facilitate the exploration, evaluation and negotiation of possible strategic transactions; and (2) a separate committee, herein referred to as the Colonial Special Committee, consisting of the three trustees who did not own limited partner interests in Colonial LP Messrs. Bailey, Crawford and Spiegel to evaluate, oversee and negotiate, as necessary, any matters that may arise in connection with a strategic transaction which relate to the interests of limited partners in Colonial LP that are potentially not aligned with the interests of Colonial shareholders generally. The Colonial Board formed the Colonial Transaction Committee at this meeting to facilitate timely reaction and response to rapidly changing circumstances with multiple simultaneous discussions with MAA and Company B that may be more difficult to accomplish on a timely basis given the size of the full Colonial Board. The Colonial Board formed the Colonial Special Committee at this meeting given the uncertainty regarding potential conflicts that may arise depending on the actual transaction structure in the event the Colonial Board ultimately decided to pursue a strategic transaction.

Also on April 8, 2013, Mr. Bolton contacted Mr. Lowder by telephone to discuss reopening negotiations between MAA and Colonial regarding a potential strategic combination transaction.

On April 11, 2013, the MAA Board held a special telephonic meeting with members of senior management and representatives from J.P. Morgan, Goodwin Procter and Baker Donelson. Mr. Bolton summarized recent discussions between MAA and Colonial and provided an update on changes in share prices, financial guidance

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and third party net asset value analyses for MAA and Colonial. Representatives from J.P. Morgan then presented the MAA Board with an updated financial analysis for a proposed strategic transaction with Colonial (including, among other things, updated preliminary analyses reflecting changes in Colonial s portfolio, including a number of asset sale transactions completed by Colonial) and an update on strategic and financial rationales for a potential combination. The MAA Board then discussed various issues, including, among others, potential exchange ratios as well as the due diligence review of Colonial being conducted. After the discussion, the MAA Board authorized the submission of a proposal to Colonial that provided for an exchange ratio of up to 0.360 of a share of MAA common stock per outstanding Colonial common share.

On April 12, 2013, Mr. Bolton contacted Mr. Lowder by telephone. During the course of such conversation, Mr. Lowder noted that Colonial had received an unspecified strategic transaction proposal or proposals.

Also on April 12, 2013, Mr. Bolton provided a written update to the MAA Board to summarize his conversation with Mr. Lowder. Mr. Bolton advised the MAA Board that MAA would submit a written proposal to Colonial with an exchange ratio of 0.360 of a share of MAA common stock per outstanding Colonial common share.

On April 13, 2013, Mr. Bolton delivered a non-binding proposal to Colonial providing, among other things, for an exchange ratio of 0.360 of a share of MAA common stock per outstanding Colonial common share, the retention of Messrs. Bolton and Campbell as Chairman and Chief Executive Officer and Chief Financial Officer, respectively, of the Combined Corporation, and a 30-day exclusivity period for negotiations between MAA and Colonial.

On April 16 and 17, 2013, the Colonial Transaction Committee held telephonic meetings at which Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells were present. During these meetings, Mr. Lowder provided an update on Colonial s ongoing evaluation of Company B s expression of interest. Mr. Lowder also reported on the receipt of a new proposal from MAA and his discussions with Mr. Bolton regarding that proposal. The Colonial Transaction Committee engaged in a discussion regarding the terms of MAA s proposal and Company B s expression of interest and the advantages and disadvantages of the two types of transactions. This discussion included, among other items, a discussion regarding the length of the relative diligence periods requested by Company B and MAA, the relative price proposed by Company B compared to the implied value of Colonial s common shares based on the MAA exchange ratio proposal, the likelihood that each of Company B and MAA could complete its proposed transaction in a timely manner, and the ability of Colonial shareholders to continue to participate in the future growth of the Combined Corporation if Colonial were to pursue a strategic combination transaction with MAA. The Colonial Transaction Committee discussed the significant additional timing likely involved in a transaction with Company B given the limited diligence conducted by Company B to date, that Company B had not yet hired outside legal or financial advisors and had relied on public information for purposes of formulating its latest expression of interest and the greater transaction execution risk associated with a transaction with Company B given the number of outside partners, the multiple layers of financing and the desire to engage a third party operator reflected in Company B s expression of interest. During this discussion, the legal advisors discussed with the Colonial Transaction Committee members the Colonial Board member s fiduciary duties in the context of considering the potential alternative transactions, including in the context of considering a stock-for-stock strategic combination and an all-cash sale transaction. The Colonial Transaction Committee also discussed the advantages and disadvantages of agreeing to exclusivity in the context of competing proposals, the potential impact on price negotiations resulting from additional diligence review during an exclusivity period, the risks associated with a lengthy diligence period and strategic considerations and appropriate timing for entering into exclusivity with a potential counterparty. The Colonial Transaction Committee also engaged in a discussion regarding the provisions included in MAA s proposal, including the force the vote provision, the change of board recommendation provisions, and the circumstances in which a termination fee would be payable. Following these discussions, the Colonial Transaction Committee authorized Mr. Lowder to engage in additional discussions with Company B to seek to improve its proposed terms, including the proposed price, and obtain greater specificity regarding the

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terms of Company B s proposal, including with respect to Company B s debt and equity financing plans, as well as a shorter exclusivity period. The Colonial Transaction Committee also authorized Mr. Lowder to engage in additional discussions with MAA to seek to improve the exchange ratio and revise the composition of the Combined Corporation board to more closely reflect the relative ownership of MAA s and Colonial s shareholders in the Combined Corporation, as well as a shorter exclusivity period. The Colonial Transaction Committee requested that Mr. Lowder seek to obtain improved proposals from MAA and Company B in advance of Colonial s regular, in person board and committee meetings on April 23-24, 2013 in Birmingham so that the Colonial Board would be in a position to consider and discuss such proposals from MAA and Company B.

On April 17, 2013, Mr. Lowder contacted Mr. Bolton by telephone. In response to MAA s proposal from April 13, 2013, and based on the requests of the Colonial Transaction Committee, Mr. Lowder requested an increase in the exchange ratio, an increase in the number of proposed board members at the Combined Corporation for Colonial representatives and a shorter exclusivity period.

On April 18, 2013, Mr. Bolton provided a written update to the MAA Board summarizing the requests he received from Mr. Lowder on April 17, 2013.

On April 18, 2013, Mr. Lowder, together with representatives of BofA Merrill Lynch, spoke by telephone with the chief financial officer of Company B requesting that Company B improve its expression of interest, including the cash price, and submit a proposal with greater detail regarding the terms of Company B s proposal. The chief financial officer of Company B indicated that he had communicated with several outside investors in Company B, without identifying Colonial, and had received indications of interest from such investors in providing 50% or more of the equity financing for a transaction. He also stated that Company B intended to use commercial bank financing to fund a portion of the acquisition and to arrange for financing from Freddie Mac post-closing to replace the commercial bank financing, that Company B would obtain a debt commitment letter if requested, and that an unaffiliated public company operator was interested in a joint venture arrangement with Company B to acquire Colonial, noting that the partner desired to acquire outright certain properties representing approximately 30% of Colonial existing multifamily portfolio. The chief financial officer of Company B indicated that Company B would provide a more detailed written proposal on or prior to April 23, 2013. In several brief telephone conversations between a representative of BofA Merrill Lynch and the chief financial officer of Company B attempting to arrange this April 18th discussion, the chief financial officer of Company B originally had suggested that the proposed price could be as high as $27.00 per share, but subsequently noted that the proposed price would be $26.50 per share because of, in the view of Company B s investment committee, valuation considerations associated with certain land recorded on Colonial s financial statements.

On April 22, 2013, the MAA Board held a special telephonic meeting with members of senior management. Mr. Bolton summarized his recent conversations with Mr. Lowder and the status of the discussions with Colonial. The MAA Board discussed responses to Colonial s requests, including the exchange ratio, board composition of the Combined Corporation and exclusivity period. The MAA Board then authorized Mr. Bolton to respond to Colonial with the same exchange ratio of 0.360 of a share of MAA common stock per outstanding Colonial common share, a revised proposal on the composition of the board of the Combined Corporation and a request for a reduced exclusivity period of 21 days from the date on which substantially all due diligence materials were provided by Colonial.

Later on April 22, 2013, Mr. Bolton delivered to Mr. Lowder MAA s response to Colonial s requests from April 17, 2013. MAA responded that it would not agree to an increase to the exchange ratio above 0.360 of a share of MAA common stock per outstanding Colonial common share and proposed a revised board composition for the Combined Corporation along with a request for an exclusivity period of 21 days starting on the date on which substantially all due diligence materials were provided.

On April 23, 2013, Mr. Lowder received a letter and proposed term sheet from Company B s chief financial officer. In the letter, Company B proposed to acquire all outstanding Colonial common shares and all outstanding limited partner interests in Colonial LP for $26.50 per share in cash, which represented a 15% premium to the

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closing price of Colonial common shares on April 22, 2013. The letter also noted that Company B intended to capitalize the transaction through a combination of equity (including roll-over equity from existing limited partners of Colonial LP), the inclusion of a joint venture partner, new mortgage debt and the assumption of Colonial s existing debt, that existing limited partners of Colonial LP would have the option to roll-over their interests, in a transaction intended to constitute a tax-deferred exchange, into units of a reconstituted partnership or similar entity, and that Company B was requesting a 60-day exclusivity period to conduct diligence and negotiate definitive documentation. The letter noted that Company B s proposal was not subject to a financing contingency. The term sheet received from Company B also noted that the transaction potentially could be structured to provide Colonial LP unitholders the option to exchange their units for those of another publicly traded REIT. The term sheet further noted that Company B s proposed lender had given assurance that Colonial s portfolio could be financed and that the lender was prepared to assist with bridge financing, that closing would be conditioned on, among other things, receipt of regulatory approvals and other standard conditions for Company B s obligation to acquire a public company, that the definitive agreement would contain a 30-day go shop provision and that Company B was anticipating a shareholder vote and closing of the transaction on or before July 31, 2013. Company B also separately confirmed by e-mail to Mr. Lowder on April 23, 2013 that Company B s joint venture partner would agree to issue units in its operating partnership if requested.

On April 23, 2013, the Colonial Transaction Committee met in person at Colonial s headquarters in Birmingham, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present (in person or telephonically). During this meeting, Mr. Lowder provided an update on the status of discussions with MAA and Company B. Mr. Lowder informed the Colonial Transaction Committee of the updated information and proposals received from MAA and Company B. The Colonial Transaction Committee engaged in a discussion regarding the terms of the two proposals. During this discussion, the legal advisors discussed with the Colonial Transaction Committee members the Board members fiduciary duties when considering a stock-for-stock strategic combination transaction and an all-cash sale transaction. Following this discussion, the Colonial Transaction Committee agreed to discuss the two proposals, and other potential strategic alternatives, with the Colonial Board at its board meeting on April 24, 2013.

On April 24, 2013, the Colonial Board held its regular, in person board meeting at Colonial s headquarters in Birmingham with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present (in person or telephonically). During this meeting, Mr. Lowder updated the Colonial Board on the status of discussions with MAA and Company B and the terms of each of MAA s and Company B s latest proposals. In addition, BofA Merrill Lynch updated the Colonial Board with respect to financial matters. The Colonial Board also engaged in a discussion regarding the terms of the two proposals and the various considerations discussed by the Colonial Transaction Committee during its meetings on April 16, 17 and 23. With respect to the MAA proposal, the Colonial Board discussed, among other things, the strength of the MAA management team, MAA s anticipated approach to Colonial s development pipeline, potential synergies, timing considerations, and the proposed board composition of the Combined Corporation in light of the relative ownership of shareholders in the two companies and historical knowledge of the members of the Colonial Board of the current Colonial properties that would comprise a substantial portion of the Combined Corporation s portfolio. With respect to Company B s proposal, the Colonial Board discussed, among other things, that the price proposed by Company B was at a substantial premium to the then current Colonial share price, management s belief that Company B was capable of executing a sale transaction of the type proposed, Company B s willingness to arrange for a third party operator to provide a liquidity option to holders of limited partnership interests in Colonial LP who elect to roll-over their equity as contemplated in Company B s term sheet. The Colonial Board also noted the less-developed nature of Company B s proposal, the fact that Company B had not completed the same level of diligence as MAA and concerns of not being able to reach agreement on mutually acceptable terms with Company B with respect to a sale transaction due to matters outside Colonial s and, in some cases outside Company B s control, including the need for Company B to conduct diligence on Colonial, Company B s need to obtain substantial third party equity and debt financing from multiple parties and the likely need for each provider of such equity and debt financing to conduct diligence on Colonial, and Company B s intention to involve a joint venture partner which would require a separate negotiation. During this discussion, the legal advisors discussed with the Colonial Board the Colonial

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Board members fiduciary duties when considering a stock-for-stock strategic combination transaction and an all-cash sale transaction. The Colonial Board also discussed, with respect to each proposal, the risks associated with the pursuit of, but failure to consummate, a transaction, confidentiality considerations associated with a lengthy process, and the potential disruption to Colonial in the event of rumors and leaks and management s distraction from continuing business activities, as well as the possibility of continuing discussions with both MAA and Company B, noting the difficulties with such approach given the separate requests for exclusivity. The Colonial Board also noted the importance of including appropriate flexibility in the definitive transaction agreement with either MAA or Company B to enable Colonial to respond to other bona fide acquisition proposals, including Company B s willingness to include a go shop provision in the definitive transaction agreement, given the Colonial Board s prior decision not to solicit proposals for other transactions due to the potential detrimental effects on Colonial s business and the appropriateness of a mutual non-solicitation of competing transactions in a strategic combination transaction with MAA. Following this discussion and its evaluation of the two proposals, the Colonial Board authorized the Colonial Transaction Committee to continue negotiations with MAA and enter into exclusivity arrangements with MAA subject to MAA agreeing to a more balanced representation on the Combined Corporation board (based on the relative ownership of shareholders from the two companies) than that included in MAA s last proposal and subject to MAA agreeing that Colonial board designees on the Combined Corporation board would be entitled to be re-nominated for at least two years following the combination to facilitate the integration and combination of the two companies.

On April 25, 2013, Mr. Lowder contacted Mr. Bolton by telephone. In response to Mr. Bolton s proposal from April 22, 2013, Mr. Lowder indicated, on behalf of Colonial, that Colonial was prepared to agree to an exchange ratio of 0.360 of a share of MAA common stock per outstanding Colonial common share and a 21-day exclusivity period, but requested that the board of directors of the Combined Corporation consist of 12 directors, including seven directors from the MAA Board and five directors from the Colonial Board.

On April 26, 2013, Mr. Bolton provided a written update to the MAA Board. Mr. Bolton summarized his telephone call with Mr. Lowder from April 25, 2013, and explained that the Colonial Board was prepared to begin detailed diligence, subject to resolution of board composition matters.

Also on April 26, 2013, one of the independent trustees of the Colonial Board received an email from a business acquaintance inquiring whether Mr. Lowder was interested in speaking with a former employee of the business acquaintance. The Colonial Board member subsequently learned that the former employee was now employed by a party that previously had made an unsolicited verbal inquiry regarding a transaction to acquire Colonial. On May 5, 2013, the Colonial Board member responded by e-mail stating that he had passed along the e-mail inquiry to Mr. Lowder. Neither the business acquaintance nor the former employee contacted the Colonial Board member or Mr. Lowder further. Given the status of negotiations with MAA, and the non-solicitation provision included in the term sheet signed by Colonial and MAA on May 2, 2013, as discussed below, as well as the speculative nature of the inquiry, Mr. Lowder did not contact the former employee.

Later on April 26, 2013, the Colonial Transaction Committee held a telephonic meeting with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, the Colonial Transaction Committee discussed the terms and conditions included in the non-binding term sheet included as part of MAA s April 22nd written proposal. Following discussion, the Colonial Transaction Committee authorized Mr. Lowder to prepare and deliver to MAA a written response to the terms and conditions included in the non-binding term sheet.

On April 29, 2013, at Colonial s request, representatives from BofA Merrill Lynch separately contacted representatives from JP Morgan and Goodwin Procter regarding Colonial s views with respect to the composition of the Combined Corporation s board of directors.

Also on April 29, 2013, the MAA Board held a special telephonic meeting with members of senior management and representatives from J.P. Morgan, Goodwin Procter and Baker Donelson. The MAA Board discussed the board composition of the Combined Corporation, including the proposed number of directors of the

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Combined Corporation from the Colonial Board taking into account the negotiated exchange ratio of 0.360 of a share of MAA common stock per outstanding Colonial common share. The MAA Board then authorized Mr. Bolton to accept Colonial s proposal that the Combined Corporation s board of directors consist of no more than seven directors from the MAA Board and no more than five directors from the Colonial Board.

Later on April 29, 2013, Mr. Bolton delivered a revised proposal to Colonial, which provided for (i) an exchange ratio of 0.360 of a share of MAA common stock per outstanding Colonial common share, (ii) a board of directors for the Combined Corporation consisting of 12 members, with seven directors from the MAA Board and five directors from the Colonial Board, and (iii) a 21-day exclusivity period beginning on the execution date of a term sheet. Following the delivery of the revised proposal, Mr. Bolton contacted Mr. Lowder by telephone to discuss the proposed board composition of the Combined Corporation.

On or about April 29, 2013, Mr. Lowder left a voicemail message for Company B s chief financial officer informing him that the Colonial Board had determined not to pursue at this time further discussions with Company B regarding a possible strategic sale transaction.

Also on April 30, 2013, at Colonial s request, BofA Merrill Lynch delivered Colonial s revised non-binding term sheet to MAA. The term sheet requested, among other things, (i) that each Colonial designee to the Combined Corporation s board of directors serve for two years, (ii) removal of a force the vote provision, (iii) removal of a requirement for a party to pay the other party s expenses if its shareholders failed to approve the transaction, and (iv) removal of a requirement for a party to advise the other party of the terms of any competing proposals received during the exclusivity period.

Later on April 30, 2013, Mr. Bolton provided a written update to the MAA Board summarizing the status of negotiations relating to the composition of the Combined Corporation s board of directors.

On May 1, 2013, Mr. Bolton contacted Mr. Lowder by telephone to discuss integration matters relating to the proposed strategic transaction, including the applicability of MAA s mandatory retirement policy for its board members to the Combined Corporation s board of directors.

Also on May 1, 2013, representatives of Goodwin Procter and Hogan Lovells met telephonically to discuss the force the vote provision in the draft non-binding term sheet.

Also on May 1, 2013, J.P. Morgan delivered to Colonial, on behalf of MAA, a revised non-binding term sheet. The term sheet provided for, among other things, (i) a requirement that Colonial s nominees to the Combined Corporation s board of directors satisfy MAA s existing corporate guidelines and code of business conduct and ethics, (ii) the reinstatement of the requirement for a party to pay the other party s expenses if its shareholders failed to approve the transaction, and (iii) the reinstatement of the requirement for a party to advise the other party of the terms of any competing proposals received during the exclusivity period. The revised term sheet sent by J.P. Morgan did not contain a force the vote provision.

Later on May 1, 2013, at the request of MAA and Colonial, representatives of J.P. Morgan and BofA Merrill Lynch met telephonically to discuss certain matters relating to the term sheet circulated by J.P. Morgan earlier in the day, including the possibility that any new contractual arrangements intended to protect the income tax position of holders of limited partnership interests in Colonial LP, herein referred to as tax protection arrangements, may be requested for unitholders of Colonial LP in the strategic combination transaction and the requirement that a party would be required to advise the other party of the terms of any competing proposal during the exclusivity period.

On May 2, 2013, Mr. Bolton contacted Mr. Lowder telephonically to inquire whether any new tax protection arrangements would be requested for unitholders of Colonial LP in the strategic combination transaction. Mr. Lowder advised Mr. Bolton that any new tax protection arrangements would need to be discussed with the Colonial Special Committee.

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On May 2, 2013, MAA and Colonial executed a term sheet that provided for, among other things, (i) an exchange ratio of 0.360 of a share of MAA common stock per outstanding Colonial common share, (ii) a board of directors for the Combined Corporation consisting of twelve directors, seven of whom would be designated initially by MAA and five of whom would be designated initially by Colonial, (iii) nomination of Colonial s designees to the board of directors of the Combined Corporation in the 2014 and 2015 annual meetings so long as each individual designee remained in compliance with MAA s then existing corporate governance guidelines and code of business conduct and ethics, (iv) retention of Messrs. Bolton and Campbell as the Chief Executive Officer and Executive Vice President and Chief Financial Officer, respectively, of the Combined Corporation, (v) a mutual non-solicitation provision with respect to competing transactions, (vi) payment of expenses by a party, up to a specified amount, if such party s shareholders fail to approve the transaction, and (vii) a 21-day exclusivity period beginning on May 2, 2013.

On May 3, 2013, representatives from Goodwin Procter and Hogan Lovells met telephonically to discuss tax matters related to the transaction. During this discussion, Goodwin Procter inquired whether any new tax protection arrangements would be requested for unitholders of Colonial LP in the strategic combination transaction. Hogan Lovells noted any new tax protection arrangements would need to be discussed with the Colonial Special Committee.

On May 3, 2013, Mr. Bolton provided a written update to the MAA Board. Mr. Bolton advised the MAA Board that a term sheet had been executed and a full diligence process was commencing.

Between May 3, 2013 and June 2, 2013, MAA and Colonial, together with their respective advisors, conducted due diligence reviews of each other.

On May 6, 2013, the Colonial Transaction Committee held a telephonic meeting, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, Mr. Lowder updated the Colonial Transaction Committee on the status of negotiations with MAA and related transaction matters.

On May 9, 2013, Messrs. Bolton and Campbell and Thomas L. Grimes, Jr., MAA s Chief Operating Officer, met with Mr. Lowder, Paul F. Earle, Colonial s Chief Operating Officer, and John P. Rigrish, Colonial s Chief Administrative Officer and Corporate Secretary, in Memphis to discuss potential synergies from the proposed strategic combination transaction and matters relating to the integration of MAA s and Colonial s operations.

Also on May 9, 2013, Mr. Bolton sent an update to the MAA Board. Mr. Bolton explained that each company had commenced its diligence process. Mr. Bolton summarized his discussions with members of Colonial s senior management regarding potential synergies and integration matters.

On May 13, 2013, members of senior management of Colonial and MAA met in Birmingham to discuss due diligence matters, including asset and other valuation matters and structural matters. Representatives of J.P. Morgan and BofA Merrill Lynch also attended this meeting.

On May 13, 2013, the Colonial Special Committee held a telephonic meeting, with representatives of Hogan Lovells present. During this meeting, the members of the Colonial Special Committee discussed matters relating to the proposed strategic combination transaction with MAA.

On May 13, 2013, the Colonial Transaction Committee held a telephonic meeting, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, the members of the Colonial Transaction Committee discussed the status of negotiations with MAA and other matters related to the proposed strategic combination transaction with MAA.

On May 14, 2013, the Colonial Board held a telephonic meeting, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, Mr. Lowder provided an update on the status of negotiations with MAA and related transaction matters.

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On May 14, 2013, Goodwin Procter distributed an initial draft of the merger agreement to Hogan Lovells and BofA Merrill Lynch. Over the course of the next several weeks, Colonial and MAA, together with their respective legal and financial advisors continued to negotiate the merger agreement and related transaction documentation, including the forms of voting agreement and the amended and restated limited partnership agreement of MAA LP.

On May 16, 2013, the Colonial Special Committee held a telephonic meeting, with representatives of Hogan Lovells and Hunton & Williams LLP, herein referred to as Hunton & Williams, present. During the meeting, the Colonial Special Committee discussed matters relating to the proposed strategic combination transaction with MAA and the proposed engagement of Hunton & Williams. Following discussion, the Colonial Special Committee retained Hunton & Williams as its outside legal advisor to provide advice to the Colonial Special Committee in its consideration of matters in which the interests of limited partners in Colonial LP potentially were not aligned with the interests of Colonial shareholders generally in accordance with the Colonial Special Committee s mandate.

On May 20, 2013, the Colonial Special Committee held a telephonic meeting, with Mr. Hardin and representatives of Hunton & Williams present and representatives of Hogan Lovells present for part of the meeting. During this meeting, the members of the Colonial Special Committee discussed matters relating to the proposed strategic combination transaction with MAA.

On May 20, 2013, the Colonial Transaction Committee held a telephonic meeting, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, representatives of Hogan Lovells provided an update on the terms of the MAA transaction. BofA Merrill Lynch discussed with the Colonial Transaction Committee financial terms and related financial matters regarding the proposed MAA transaction. The Colonial Transaction Committee also discussed the updated proposed terms as well as MAA s proposal for those individuals that would enter into voting agreements in connection with the proposed transaction. Following these discussions, the Colonial Transaction Committee instructed Hogan Lovells to prepare a revised draft of the merger agreement in accordance with the Colonial Transaction Committee s guidance and to circulate the revised draft to MAA and its legal advisor.

On May 21, 2013, the Colonial Board held a telephonic meeting with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, BofA Merrill Lynch updated the Colonial Board regarding financial terms and related financial matters regarding the proposed MAA transaction. A representative of Hogan Lovells then updated the Colonial Board on the status of negotiations with MAA and the negotiation of terms and conditions related to the merger agreement. Following discussion, the Colonial Board concluded that discussions with MAA were progressing in an appropriate manner and unanimously agreed that the exclusivity period with MAA should be allowed to automatically renew for an additional 14 days in accordance with the provisions of the May 2, 2013 term sheet between Colonial and MAA.

On May 21, 2013, the MAA Board held a regular quarterly in person meeting with members of senior management and representatives from J.P. Morgan, Goodwin Procter and Baker Donelson. Mr. Bolton updated the MAA Board on the areas of focus for the proposed strategic combination transaction with Colonial, including the current valuation analysis of Colonial, potential synergies from the transaction, quality of earnings review by Ernest & Young, and the structure of the transaction to minimize costs, risks and exposure. Representatives from J.P. Morgan presented materials to the MAA Board relating to the status of the proposed transaction, the proposed financial terms of the transaction, J.P. Morgan s preliminary valuation of Colonial and the pro forma impact of the proposed transaction to MAA. Representatives of J.P. Morgan then discussed the effect of the proposed strategic combination transaction on exposure to certain markets and the current performance of the REIT sector in general. The MAA Board then discussed issues relating to the proposed transaction, including the financial metrics of the Combined Corporation and potential transaction costs. The MAA Board also discussed the status of Colonial s disposition of its non-core assets, including three non-multifamily properties with signed letters of intent and the Three Ravinia property, which was under contract for sale at a value close to MAA s estimated value for the property. Following that discussion, representatives from J.P. Morgan then presented a

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preliminary valuation summary of MAA and Colonial that included analyses of trading comparables, net asset values, discounted cash flows and exchange ratios as well as earnings impact of the proposed transaction. Following J.P. Morgan s presentation, representatives from Goodwin Procter presented material to the MAA Board relating to structuring considerations for the proposed transaction, the existence of dissenters rights for Colonial shareholders, the potential required approvals of equity holders of Colonial and Colonial LP and open points in the merger agreement. Representatives of Goodwin Procter then presented information to the MAA Board on certain legal points that were under discussion in connection with the proposed strategic combination transaction, summarized the due diligence materials received to date from Colonial s counsel with respect to the built-in-gain of unitholders of Colonial LP that would be applicable if Colonial requested new tax protection arrangements for these unitholders, discussed the need for waivers from certain MAA executives with respect to rights under existing employment agreements and equity awards, and summarized certain insurance policies. Finally, Mr. Bolton discussed with the MAA Board his opinion that the proposed strategic combination transaction was a compelling value creation opportunity for MAA shareholders, but highlighted that management and the MAA board needed to fully understand and explore risks relating to the potential transaction. Following the MAA board meeting, General John S. Grinalds retired from the MAA Board since he had reached the maximum director age contained in MAA s existing corporate governance guidelines and code of business conduct and ethics and would not be standing for reelection to the MAA Board at the annual meeting of MAA shareholders to be held later that day.

Later on May 21, 2013, Hogan Lovells distributed a revised draft of the merger agreement to Goodwin Procter and J.P. Morgan. The revised draft provided for, among other things, (i) reciprocal interim operating covenants, (ii) an asymmetrical termination fee of $50 million for Colonial and $65 million for MAA in the event the merger agreement was subsequently terminated by such party to enter into a Superior Proposal or in certain other limited circumstances, which is referred to as a termination fee, (iii) various revisions to the provision restricting the ability of a party to solicit other proposals after the signing of a definitive agreement, which is referred to as the non-solicitation provision, and (iv) the removal of a provision that allowed for limited flexibility in the structure of the transaction following the execution of the merger agreement.

On May 22, 2013, Goodwin Procter circulated to Hogan Lovells an initial draft of a form of voting agreement for certain Colonial shareholders.

On May 22, 2013, the Colonial Special Committee held a telephonic meeting, with representatives of Hunton & Williams present. During this meeting, the members of the Colonial Special Committee discussed with Hunton & Williams matters relating to the proposed transaction with MAA. The Colonial Special Committee discussed the tax protection arrangements currently afforded to holders of limited partnership interests in Colonial LP, including the provisions in the existing limited partnership agreement of Colonial LP relating to Colonial LP s consideration of the income tax considerations of limited partners of Colonial LP with respect to actions taken by the general partner of Colonial LP. The Colonial Special Committee also discussed MAA s proposal that the existing limited partnership agreement of Colonial LP be used as the limited partnership agreement of the Combined Corporation s operating partnership and tax protection arrangement structures generally. During this discussion, Hunton & Williams discussed with the Colonial Special Committee the members fiduciary duties under applicable law, the types of tax protection arrangements that could be provided to limited partners in an operating partnership and the tax protection arrangements, if any, provided in other merger transactions to limited partners in operating partnerships. Following discussion, the Colonial Special Committee determined that the mergers should be structured to provide that the limited partnership agreement for the Combined Corporation s operating partnership contain substantially the same provisions as contained in the existing limited partnership agreement of Colonial LP including, in particular, for the benefit of limited partners in MAA LP after the partnership merger, the provision relating to Colonial LP s consideration of the income tax considerations of limited partners of Colonial LP with respect to actions taken by the general partner of Colonial LP. The Colonial Special Committee did not identify any other significant potential conflicts between limited partners of Colonial LP and Colonial shareholders, based on the structure of the proposed MAA transaction, that the Colonial Special Committee believed were within its mandate from the Colonial Board.

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On May 23, 2013, Mr. Bolton provided a written update to the MAA Board. Mr. Bolton summarized the remaining open points in the merger agreement as well as procedural and timing considerations for signing the merger agreement and announcing the proposed transaction.

Also on May 23, 2013, Goodwin Procter circulated a revised draft of the merger agreement to Hogan Lovells and BofA Merrill Lynch. The draft provided for, among other things, (i) a condition to closing that no more than a certain percentage of Colonial shareholders exercise dissenters rights in connection with the proposed transaction, (ii) the deletion or modification of certain interim operating covenants applicable to MAA, (iii) a symmetrical termination fee of $100 million for both MAA and Colonial, (iv) certain modifications to the non-solicitation provision, and (v) a reinstatement of the provision that allowed for flexibility in the structure of the transaction following the execution of the merger agreement.

On May 23, 2013, the Colonial Transaction Committee held a telephonic meeting, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, the Colonial Transaction Committee discussed the status of negotiations with MAA, the revised draft merger agreement received from MAA and certain provisions therein, including the amount and structure of the termination fee and expense reimbursement amount and a proposed closing condition regarding dissenters rights under Alabama law. The Colonial Transaction Committee also discussed Colonial s proposed response to the revised draft merger agreement received from MAA.

On May 24, 2013, representatives from Goodwin Procter and Hogan Lovells met telephonically to discuss open points relating to the merger agreement and the identities of the officers, trustees, directors and shareholders, as applicable, of MAA and Colonial who would sign voting agreements in connection with the proposed transaction. Hogan Lovells also circulated to Goodwin Procter a revised draft of the form of voting agreement for certain Colonial shareholders.

On May 25, 2013, representatives from Goodwin Procter and Hogan Lovells met telephonically. Hogan Lovells advised that Colonial, based on the determination of the Colonial Special Committee, would not request any new tax protection arrangements for unitholders of Colonial LP other than a continuation in the MAA LP partnership agreement, for the benefit of MAA LP limited partners after the partnership merger, of the existing provision in the limited partnership agreement of Colonial LP relating to Colonial LP s consideration of the income tax considerations of limited partners of Colonial LP with respect to actions taken by the general partner of Colonial LP. The representatives from Goodwin Procter and Hogan Lovells then discussed various other open items relating to the merger agreement. Additionally, Goodwin Procter circulated to Hogan Lovells a revised draft of the form of voting agreement for certain Colonial shareholders.

On May 26, 2013, Hogan Lovells circulated a revised draft of the merger agreement to Goodwin Procter and J.P. Morgan. The revised draft provided for, among other things, reciprocal interim operating covenants for MAA and Colonial. The revised draft also reflected other items that were continuing to be negotiated, including, among others, the closing condition relating to the percentage of Colonial shareholders that could exercise dissenters rights without MAA having a right to not consummate the mergers, the termination fee and a modified provision addressing the parties ability to restructure the transaction following the execution of the merger agreement.

Also on May 26, 2013, Goodwin Procter circulated to Hogan Lovells an initial draft of the form of voting agreement for certain MAA shareholders.

On May 27, 2013, Goodwin Procter circulated to Hogan Lovells an initial draft of MAA s disclosure schedules to the merger agreement. The disclosure schedules included a list of certain third party consents that would need to be obtained as a condition to closing. Colonial, through Hogan Lovells, objected to the inclusion of those consents as a closing condition.

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On May 27, 2013, the Colonial Special Committee held a telephonic meeting, with representatives of Hunton & Williams and Hogan Lovells present. During this meeting, the Colonial Special Committee discussed with the legal advisors the status of negotiations with MAA regarding the structure of the transaction and the terms of the limited partnership agreement of the Combined Corporation s operating partnership. During this discussion, the Colonial Special Committee discussed with the legal advisors the nature of changes with respect to the partnership merger reflected in the merger agreement. Also, during this discussion, the Colonial Special Committee noted that, consistent with the direction at the Colonial Special Committee s May 22nd meeting, the current draft of the merger agreement provided that the limited partnership agreement of MAA LP would be amended to be in substantially the same form as the limited partnership agreement of Colonial LP then in effect, and would retain, for the benefit of all limited partners in MAA LP after the partnership merger, the provision relating to Colonial LP s consideration of the income tax considerations of limited partners of Colonial LP with respect to actions taken by the general partner of Colonial LP.

On May 28, 2013, Hogan Lovells circulated to Goodwin Procter an initial draft of Colonial s disclosure schedules to the merger agreement.

On May 28, 2013, the Colonial Board held a telephonic meeting, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, the Colonial Board discussed the status of negotiations with MAA and certain provisions of the merger agreement.

Also on May 28, 2013, Mr. Bolton contacted Mr. Lowder by telephone to discuss certain closing conditions to the completion of the proposed transaction. Messrs. Bolton and Lowder also discussed the inclusion of the provision in the merger agreement that would allow for flexibility in the structure of the transaction following the execution of the merger agreement.

Later on May 28, 2013, Goodwin Procter circulated a revised draft of the merger agreement to Hogan Lovells and BofA Merrill Lynch. The revised draft included, among other things, reciprocal interim operating covenants.

On May 29, 2013, Goodwin Procter circulated a further revised draft of the merger agreement to Colonial and its legal and financial advisors. The draft provided for, among other things, a reciprocal termination fee of $75 million and a closing condition that no more than 15% of Colonial shareholders could exercise dissenters rights without MAA having a right to not consummate the mergers.

Later on May 29, 2013, the MAA Board held a special telephonic meeting with members of senior management and representatives from J.P. Morgan, Goodwin Procter and Baker Donelson. Mr. Bolton summarized for the MAA Board the overall status of the proposed strategic combination transaction with Colonial and the decision by Colonial, based on the determination of the Colonial Special Committee, not to request new tax protection arrangements for unitholders of Colonial LP. Mr. Bolton and representatives from Goodwin Procter and Baker Donelson summarized and described for the MAA Board the remaining open points in the merger agreement. The MAA Board then discussed the proposed terms of the merger agreement.

On May 29, 2013, the Colonial Board held a telephonic meeting, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, a representative of Hogan Lovells summarized the status of negotiations with respect to the revised draft merger agreement. The Colonial Board discussed the revised draft merger agreement, including MAA s inclusion of certain third party consents as a closing condition.

On May 30, 2013, Mr. Bolton contacted Mr. Lowder by telephone to discuss the remaining open points in the merger agreement.

Later on May 30, 2013, Goodwin Procter circulated to Hogan Lovells a revised draft of MAA s disclosure schedules to the merger agreement. The revised MAA disclosure schedules significantly limited the number of third party consents that were a condition to closing.

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Also on May 30, 2013, Hogan Lovells circulated a revised draft of the merger agreement to Goodwin Procter and J.P. Morgan. The revised draft provided for, among other things, (i) a symmetrical termination fee of $75 million, (ii) an agreement by MAA to assume all existing registration rights agreements of Colonial in connection with the proposed transaction, and (iii) the removal of the ability of either party to extend the outside closing date under the merger agreement in order to obtain third party consents. Subsequent to the distribution of the revised draft of the merger agreement, the parties agreed that the merger agreement would contain a provision that the parties would cooperate to provide flexibility in the structuring of the transaction following the execution of the merger agreement and a closing condition that no more than 15% of Colonial shareholders could exercise dissenters rights without MAA having a right to not consummate the mergers.

On May 31, 2013, representatives from Goodwin Procter and Hogan Lovells met telephonically to discuss the remaining open points in the merger agreement, including the termination fee.

On May 31, 2013, Goodwin Procter circulated to Hogan Lovells an initial draft of the amended and restated limited partnership agreement of MAA LP. Later that day, Hogan Lovells circulated a revised draft of that agreement to Goodwin Procter, along with a revised draft of Colonial s disclosure schedules to the merger agreement.

On June 1, 2013, the MAA Board held a special telephonic meeting with members of senior management and representatives from J.P. Morgan, Goodwin Procter and Baker Donelson. At the meeting, Mr. Bolton and representatives of Goodwin Procter and Baker Donelson summarized the resolution of the open points in the merger agreement discussed at the last meeting of the MAA Board and the minor terms of the merger agreement that needed to be finalized prior to the execution of the merger agreement. Representatives from Goodwin Procter and Baker Donelson then summarized the final terms of the merger agreement and described the process required for obtaining certain third party consents. The MAA Board then held an extended discussion of the terms of the merger agreement. Next, representatives from J.P. Morgan summarized the valuation methodologies used in its valuation of MAA and Colonial, the results of that analysis and the key financial highlights relating to the transaction with Colonial. Following these presentations and discussions, and other discussions and deliberations by the MAA Board concerning, among other things, the matters described below under Recommendation of the MAA Board and Its Reasons for the Mergers, representatives of Goodwin Procter and Baker Donelson summarized the process for the approval of the transaction and the duties of the directors, following which, Mr. Bolton and representatives of Baker Donelson reviewed the resolutions for consideration by the MAA Board to approve the proposed strategic transaction with Colonial. The MAA Board then unanimously (i) determined that the merger agreement, the parent merger and the transactions contemplated by the merger agreement were advisable and in the best interests of MAA and its shareholders, (ii) approved the mergers, the merger agreement and the other transactions contemplated by the merger agreement, (iii) authorized and approved the issuance of shares of MAA common stock to the holders of Colonial common shares in the parent merger, (iv) directed that the merger agreement and the issuance of shares of MAA common stock be submitted for approval at a meeting of MAA shareholders, and (v) recommended the approval of the merger agreement and the issuance of shares of MAA common stock by MAA shareholders. In connection with the foregoing, the MAA Board also approved, among other things, the waivers to be given by certain MAA executives with respect to rights under existing employment agreements and equity awards, the preparation and filing of this joint consent solicitation/prospectus, the engagement letter with J.P. Morgan, the amendment and restatement of the limited partnership agreement of MAA LP, and the preparation and mailing of a consent solicitation for holders of limited partnership units in MAA LP.

On June 1, 2013 and June 2, 2013, Goodwin Procter and Hogan Lovells exchanged drafts of the merger agreement, the disclosure schedules of both Colonial and MAA to the merger agreement and the amended and restated limited partnership agreement of MAA LP.

On June 2, 2013, the Colonial Board held a telephonic meeting, with Mr. Hardin and representatives of BofA Merrill Lynch and Hogan Lovells present. During this meeting, Colonial s legal and financial advisors reviewed with the Colonial Board, among other things, legal and financial aspects of the proposed transaction

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with MAA. In addition, a representative of Hogan Lovells reviewed with the Colonial Board the material terms of the proposed merger agreement. Mr. Lowder then reviewed the strategic rationale and anticipated benefits of the proposed strategic combination transaction to Colonial shareholders. BofA Merrill Lynch then reviewed with the Colonial Board the financial terms of the proposed transaction. During this meeting, the Colonial Transaction Committee delivered its recommendation that the Colonial Board approve the merger agreement. Following these presentations and discussions, and other discussions by the Colonial Board concerning, among other things, the matters described below under Recommendation of Colonial and Its Reasons for the Mergers, the Colonial Board, by a unanimous vote of all trustees, (i) concluded that the merger agreement and the transactions contemplated thereby, including the parent merger and the partnership merger, were advisable and in the best interests of Colonial and its shareholders, and the Colonial LP unitholders and (ii) approved and adopted the merger agreement and the partnership merger.

On the morning of June 3, 2013, MAA and Colonial executed and delivered the merger agreement and certain ancillary documents prior to the opening of the stock markets and issued a joint press release announcing the mergers and execution of the merger agreement.

Recommendations of the MAA Board and its Reasons for the Mergers

After careful consideration, the MAA Board, on behalf of MAA in its capacity as the sole general partner of MAA LP, has unanimously determined and declared that the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of MAA LP and its unitholders and approved and adopted the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement. **The MAA Board unanimously recommends that MAA LP unitholders approve the merger agreement and the partnership merger.**

Additionally, the MAA Board has unanimously determined that it is desirable and in the best interests of MAA, MAA LP and the MAA LP unitholders, in connection with the partnership merger, to amend and restate the existing MAA LP agreement of limited partnership and approved the amended and restated MAA LP limited partnership agreement. **The MAA Board unanimously recommends that MAA LP unitholders approve the amended and restated MAA LP limited partnership agreement.**

In deciding to declare advisable and approve and adopt the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement, including the issuance of new MAA LP units to Colonial LP unitholders in connection with the partnership merger, and to recommend that MAA LP unitholders vote to approve the merger agreement and the partnership merger, the MAA Board, considered various factors that it viewed as supporting its decision, including the following material factors described below:

Strategic Benefits. The MAA Board expects that the mergers will provide a number of significant potential strategic opportunities and benefits, including the following:

- the combination of two highly complementary multifamily portfolios to create the preeminent Sunbelt-focused multifamily REIT and the second largest publicly-held owner and operator of multifamily units in the United States by number of units will allow MAA shareholders and MAA LP unitholders to participate in a stronger Combined Corporation and MAA LP with the opportunity to leverage both companies strong presence across the United States Sunbelt region and would result in a platform with superior value creation opportunities;

- the combined portfolio of approximately 85,000 multifamily units in 285 properties would provide an enhanced competitive advantage across the Sunbelt region and drive opportunistic growth and capital deployment;

- by combining two companies with businesses in complementary geographic regions, the Combined Corporation and MAA LP are expected to have improved diversification across large and secondary markets in the high-growth Sunbelt region, which will enhance the strength of the portfolio;

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the combination of MAA and Colonial would more rapidly advance a number of strategic priorities underway at MAA and MAA LP, including, improving operating efficiencies, achieving more profitable scale, increasing assets in major and secondary Sunbelt markets and lowering capital costs to provide a stronger balance sheet;

the transaction is expected to create operational and general and administrative cost synergies that would drive higher margins primarily from the elimination of duplicative costs associated with supporting a public company platform and the leveraging of state of the art technology and systems, resulting in gross savings of approximately $25 million annually upon full integration, which is expected to occur over the 18 month period after closing of the mergers;

the Combined Corporation and MAA LP would be able to better serve the needs of its residents because of its larger geographic footprint and therefore increase its market share in high-growth Sunbelt markets;

as a result of its larger size, greater access to multiple forms of capital and an improved investment-grade rating with limited near-term debt maturities, the Combined Corporation and MAA LP are expected to have a lower cost of capital than MAA on a stand-alone basis and provide financial flexibility to capture opportunities across business cycles;

the Combined Corporation and MAA LP will provide improved liquidity for MAA LP unitholders as a result of the increased equity capitalization and the increased shareholder base of the Combined Corporation; and

the increased size and scale of the Combined Corporation and MAA LP is expected to produce operating cost advantages, enhance its ability to attract top talent, and strengthen the operating platform through integration of best practices from both companies, thereby allowing the Combined Corporation and MAA LP to be more competitive in the markets in which it operates.

Fixed Exchange Ratio. The MAA Board also considered that the fixed exchange ratio, which will not fluctuate as a result of changes in the market prices of shares of MAA common stock or Colonial common shares, provides certainty as to the respective pro forma percentage ownership of MAA LP following the mergers.

Superior Proposals. The MAA Board considered that, under certain circumstances, the merger agreement permits MAA, prior to the time MAA shareholders approve the parent merger, to consider and respond to an unsolicited bona fide alternative proposal or engage in discussions or negotiations with a third party making such a proposal if the MAA Board determines in good faith (after consultation with its outside legal counsel and financial advisors) that such alternative proposal constitutes or is reasonably likely to lead to a Superior Proposal and the MAA Board determines in good faith (after consultation with outside legal counsel) that the failure to take such action would be inconsistent with the directors exercise of their fiduciary obligations to the shareholders of MAA under applicable laws (see the section titled The Merger Agreement Covenants and Agreements No Solicitation of Transactions beginning on page 99).

Limited Ability to Change Recommendation. The MAA Board considered that the merger agreement, in circumstances not involving a Superior Proposal, permits the MAA Board to withhold, withdraw or modify its recommendation that MAA shareholders vote in favor of approval of the MAA merger proposal if a material development or change in circumstances occurs after June 3, 2013 and the MAA Board determines in good faith (after consultation with outside legal counsel) that failure to do so would be inconsistent with the directors duties under applicable law (see the section titled The Merger Agreement Covenants and Agreements No Solicitation of Transactions beginning on page 99).

Familiarity with Businesses. The MAA Board considered its knowledge of the business, operations, financial condition, earnings and prospects of MAA and Colonial, taking into account the results of MAA s due diligence review of Colonial, as well as its knowledge of the current and prospective environment in which MAA and Colonial operate, including economic and market conditions.

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Governance. The MAA Board considered that the following governance arrangements would enable continuity of management and an effective and timely integration of the two companies operations:

- seven of the twelve members of the board of directors of the Combined Corporation would be members of the MAA Board;
- the Co-Lead Independent Directors for MAA would serve as Co-Lead Independent Directors for the Combined Corporation; and
- the senior executives of MAA would serve as the senior executives of the Combined Corporation.

High Likelihood of Consummation. The MAA Board considered the commitment on the part of both parties to complete the mergers as reflected in their respective obligations under the terms of the merger agreement, and the likelihood that the third party and security holder approvals needed to complete the mergers would be obtained in a timely manner.

The MAA Board also considered a variety of risks and other potentially negative factors concerning the merger agreement, the parent merger and the other transactions contemplated by the merger agreement. These factors included:

- the risk of diverting management focus and resources from operational matters and other strategic opportunities while working to implement the mergers;
- that, under the terms of the merger agreement, MAA must pay Colonial a termination fee of $75 million and/or reimburse certain expenses incurred by Colonial in connection with the parent merger (up to $10 million) if the merger agreement is terminated under certain circumstances, which may deter other parties from proposing an alternative transaction that may be more advantageous to MAA shareholders, or which may become payable following a termination of the merger agreement in circumstances where no alternative transaction or superior proposal is available to MAA;
- the terms of the merger agreement placing limitations on the ability of MAA to initiate, solicit or knowingly encourage or knowingly facilitate any inquiries or the making of any proposal or offer by or with a third party with respect to an Acquisition Proposal and to furnish non-public information to, or engage in discussions or negotiations with, a third party interested in pursuing an alternative business combination transaction;
- the risk that, notwithstanding the likelihood of the parent merger being completed, the parent merger may not be completed, or that completion may be unduly delayed, including the effect of the pendency of the parent merger and the effect such failure to be completed may have on the trading price of MAA common stock and MAA s operating results, particularly in light of the costs incurred in connection with the transaction
- the risk that the anticipated strategic and financial benefits of the parent merger may not be realized or that the Combined Corporation may not achieve the forecasted net operating income or sales proceeds from the sale of certain of Colonial s non-core and other assets;
- the risk that the cost savings, operational synergies and other benefits to the holders of MAA common stock expected to result from the parent merger might not be fully realized or not realized at all, including as a result of possible changes in the real estate market or the multifamily industry affecting the markets in which the Combined Corporation will operate;

the risk of other potential difficulties in integrating the two companies and their respective operations;

the substantial costs to be incurred in connection with the transaction, including the transaction expenses arising from the mergers and the costs of integrating the businesses of MAA and Colonial;

the restrictions on the conduct of MAA s business prior to the completion of the parent merger, which could delay or prevent MAA from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of MAA absent the pending completion of the parent merger;

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that Colonial and MAA may be obligated to complete the parent merger without having obtained appropriate consents, approvals or waivers from, or successfully refinanced, the outstanding indebtedness of Colonial and MAA that requires lender consent or approval to consummate the parent merger, and the risk that such consummation could trigger the termination of, and mandatory prepayments of all amounts outstanding under, certain of MAA s and Colonial s indebtedness;

the existence of statutory dissenters rights for Colonial shareholders;

that neither MAA nor MAA LP obtained a fairness opinion in connection with the partnership merger; and

other matters described under the section Risk Factors and Cautionary Statement Concerning Forward-Looking Statements.

This discussion of the information and factors considered by the MAA Board in reaching its conclusion and recommendations is not intended to be exhaustive and is not provided in any specific order or ranking. In view of the wide variety of factors considered by the MAA Board in evaluating the merger agreement and the transactions contemplated by it, including the parent merger, and the complexity of these matters, the MAA Board did not find it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weight to those factors. In addition, different members of the MAA Board may have given different weight to different factors. The MAA Board did not reach any specific conclusion with respect to any of the factors considered and instead conducted an overall review of such factors and determined that, in the aggregate, the potential benefits considered outweighed the potential risks or possible negative consequences of approving the merger agreement, the parent merger and the other transactions contemplated by the merger agreement.

This explanation of the reasoning of the MAA Board and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled Cautionary Statement Concerning Forward-Looking Statements.

Recommendation of Colonial and Its Reasons for the Mergers

By vote at a meeting held on June 2, 2013, and based in part on the unanimous recommendation of the transaction committee of the Colonial Board, the Colonial Board, on behalf of Colonial in its capacity as the sole general partner of Colonial LP, unanimously determined that the merger agreement, the partnership merger and the other transactions contemplated thereby are advisable and in the best interests of Colonial LP and its unitholders and approved and adopted the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement. **Colonial, in its capacity as the sole general partner of Colonial LP, recommends that Colonial LP unitholders approve the merger agreement and the partnership merger.**

In deciding to determine advisable and approve and adopt the merger agreement, the partnership merger and the other transactions contemplated thereby, the Colonial Board considered various factors that it viewed as supporting its decision, and that support Colonial s recommendation, in its capacity as the sole general partner of Colonial LP, that Colonial LP unitholders approve the merger agreement and adopt the partnership merger, including the material factors described below.

Strategic Benefits. Discussions with Colonial management regarding Colonial s business, financial condition, results of operations, competitive position, business strategy, strategic options and prospects, as well as the risks involved in achieving these prospects, the nature of Colonial s business and the industry in which it competes, and current industry, economic and market conditions, both on a historical and on a prospective basis, which led the Colonial Board to conclude that the alternative of continuing as a stand-alone company was less favorable to the Colonial shareholders and Colonial LP unitholders than the mergers and that the mergers will provide a number of significant potential strategic opportunities and benefits, including the following:

the combination of Colonial s and MAA s highly complementary multifamily portfolios to create the preeminent Sunbelt focused multifamily REIT and the second largest publicly-held owner and operator of multifamily units in the United States by number of units will allow Colonial shareholders and

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Colonial LP unitholders to participate in a stronger Combined Corporation with the opportunity to leverage both companies strong presence across the United States Sunbelt region and would result in a platform with superior value creation opportunities;

as a result of its larger size, greater access to multiple forms of capital and improved investment grade debt rating with limited near-term debt maturities, the Combined Corporation and MAA LP are expected to have a lower cost of capital than Colonial on a stand-alone basis and provide financial flexibility to capture opportunities across business cycles;

the combination of the two companies would more rapidly advance Colonial s existing strategic priorities to grow its multifamily portfolio and strengthen its balance sheet;

by combining two companies with businesses in complementary geographic regions, the Combined Corporation and MAA LP are expected to have improved diversification across large and secondary markets in the high-growth Sunbelt region, which will enhance the strength of the portfolio;

the Combined Corporation and MAA LP are expected to benefit from Colonial s development pipeline and internal development capabilities;

the increased size and scale of the Combined Corporation and MAA LP are expected to produce operating cost advantages, enhance its ability to attract top talent, and strengthen the operating platform through integration of best practices from both companies, thereby allowing the Combined Corporation and MAA LP to be more competitive in the markets in which it operates;

the transaction is expected to create operational and general and administrative cost synergies that would drive higher margins primarily from the elimination of duplicative costs associated with supporting a public company platform and the leveraging of state of the art technology and systems, resulting in gross savings of approximately $25 million annually, which is expected to occur over the 18-month period after closing of the mergers; and

by creating one of the largest U.S. multifamily REITs by number of units and, based on current market prices, one of the largest publicly traded U.S. multifamily REITs by enterprise value, the mergers are expected to enhance the Combined Corporation s and MAA LP s ability to execute large, accretive transactions and facilitate opportunistic growth and capital deployment.

MAA s and MAA LP s Business, Operating Results, Financial Condition and Management. The Colonial Board considered information with respect to the business, operating results and financial condition of MAA and MAA LP, on both a historical and prospective basis, including MAA s and MAA LP s stable operating performance, lower leverage and the lower volatility of its stock price over the past 10 years, the quality, breadth and experience of MAA s senior management team, and the similarities in the cultures of, and complimentary markets served by, the two companies, as well as the Colonial Board s knowledge of the current and prospective environment in which the two companies operate, including economic and market conditions.

Continued Operation as a Stand-Alone Company. The Colonial Board evaluated, as an alternative to the mergers, the potential rewards and risks associated with the continued execution of Colonial s strategic plan as an independent company. In evaluating Colonial s historical results and prospects for growth, the Colonial Board noted Colonial s success in maintaining high occupancy rates, executing on Colonial s asset recycling program, strengthening Colonial s balance sheet, increasing Colonial s focus on the multifamily business, successfully exiting from several joint ventures, and reducing overhead costs. The Colonial Board reviewed Colonial s historical and possible future performance in light of the risks affecting its business, operations and financial condition, including the risks discussed in this joint consent solicitation/prospectus under Risk Factors Risks Factors Relating to the Mergers. The Colonial Board also considered, among other factors, the challenges of continuing to operate independently, current market and industry trends, and the risks affecting Colonial s ability to

compete effectively against other competitors in the industry.

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Merger Consideration. The Colonial Board evaluated the value of the parent merger and partnership merger consideration based on the then-current market price and historic trading price of MAA common stock, as well as various factors bearing on the quality and potential long-term value of the MAA common stock and MAA LP units to be received as consideration (including for any Colonial LP unitholders who receive MAA shares upon redemption of their MAA LP units after the partnership merger), including the greater liquidity of the stock in the Combined Corporation. The Colonial Board noted that, based on the closing prices of the MAA common stock and Colonial common shares on May 31, 2013, which was the last trading day before the meeting of the Colonial Board at which the Colonial Board approved the merger agreement, the parent merger consideration had an implied value of $24.47 per Colonial common share, which represented approximately a 10.7 percent premium to the closing price of the Colonial common shares on May 31, 2013. The Colonial Board also noted that the implied per share parent merger consideration represented a premium to the Colonial price per share of approximately 13.7 percent over the one-week period before May 31, 2013, and approximately 16.3 percent over the one-month period before May 31, 2013. The Colonial Board also took into account that the fixed exchange ratio, which will not fluctuate as a result of changes in the market prices of Colonial common shares or shares of MAA common stock, provides certainty as to the respective pro forma percentage ownership of the Combined Corporation and that a decrease in the market price of Colonial common shares before the parent merger closing would not provide MAA with a right to terminate the merger agreement.

Dividend Rate. The Colonial Board considered that, based on the current dividend rates of Colonial and MAA, Colonial shareholders and Colonial LP unitholders would see an approximately 19 percent increase in the dividend rate immediately after the closing, assuming no change in MAA s current dividend rate.

Ownership in the Combined Corporation. The Colonial Board considered that, as of the closing, Colonial shareholders would own approximately 44% of the Combined Corporation assuming the conversion to shares of Combined Corporation common stock of all MAA LP limited partnership units issued to Colonial LP unitholders in the partnership merger and, as a result, the combination will allow Colonial shareholders to participate in the future growth and value creation of the Combined Corporation and to share pro rata in the benefits of the expected synergies.

Tax-Deferred Transaction. The Colonial Board considered the expectation that the partnership merger will generally qualify as a tax-deferred transaction for U.S. federal income tax purposes to Colonial LP unitholders that are U.S. Holders.

Governance. The Colonial Board considered that the board of directors of the Combined Corporation would consist of twelve directors, five of whom will be chosen by the Colonial Board, which would facilitate an effective and timely integration of the two companies operations.

Likelihood of Consummation. The Colonial Board considered the commitment on the part of both parties to complete the mergers as reflected in their respective obligations under the terms of the merger agreement, and the likelihood that the third party and security holder approvals needed to complete the mergers would be obtained in a timely manner.

Terms and Conditions of the Merger Agreement. The Colonial Board considered the terms and conditions of the merger agreement, including:

Colonial s ability, under certain circumstances, prior to the time Colonial shareholders approve the parent merger, to consider and respond to an unsolicited bona fide alternative proposal or engage in discussions or negotiations with the third party making such a proposal if the Colonial Board determines in good faith (after consultation with its outside legal counsel and financial advisors) that such alternative proposal either constitutes a Superior Proposal or is reasonably likely to lead to a Superior Proposal and the Colonial Board shall have determined in good faith (after consultation with outside legal counsel) that the failure to take such action would be inconsistent with the trustees exercise of their fiduciary obligations to the shareholders of Colonial under applicable laws;

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Colonial s ability, under certain circumstances, to terminate the merger agreement in order to enter into an agreement providing for a Superior Proposal, provided that Colonial complies with its obligations relating to the entering into of any such agreement and immediately prior to or concurrently with the termination of the merger agreement pays a termination fee of $75 million and reimburses MAA for expenses (up to $10 million), which the Colonial Board concluded was reasonable in the context of termination fees payable in comparable transactions and in light of the overall structure of the transaction and terms of the merger agreement, including the merger consideration;

the ability of the Colonial Board, under certain circumstances not involving a Superior Proposal, to withhold, withdraw or modify its recommendation that Colonial shareholders vote in favor of approval and adoption of the merger agreement and the parent merger and terminate the merger agreement upon payment of a termination fee of $75 million and reimbursement of MAA for expenses (up to $10 million);

the fact that the merger agreement permits Colonial to continue to pay its regular quarterly cash dividend, in an amount not to exceed $0.21 per Colonial common share per quarter, as well as distributions in respect of units held in Colonial LP;

the fact that the merger agreement would provide Colonial with sufficient operating flexibility for it to conduct its business in the ordinary course of business consistent with past practice between the signing of the merger agreement and the completion of the mergers; and

the fact that consent, approval or refinancing of Colonial s existing indebtedness and most of MAA s existing indebtedness is not a condition to completion of the mergers.

Treatment of Holders of Limited Partner Interests in Colonial LP. The Colonial Board considered that, pursuant to the terms of the merger agreement, Colonial LP unitholders will receive 0.360 of a limited partner interest in MAA LP, in the partnership merger, which is the same as the exchange ratio in the parent merger. In addition, the Colonial Board considered that, consistent with the direction of the Colonial Special Committee, the limited partnership agreement of MAA LP will be amended to be in substantially the same form as the limited partnership agreement of Colonial LP currently in effect, and will retain, for the benefit of all limited partners in MAA LP after the partnership merger, the provision relating to Colonial LP s consideration of the income tax considerations of limited partners of Colonial LP with respect to actions taken by the general partner of Colonial LP.

Alternative Transactions. The Colonial Board also considered, as alternatives to the mergers or to continued independent operations, Colonial s prospects for a merger or sale transaction with a company other than MAA and the potential terms for such other transactions. After taking into account the possible detrimental effects on Colonial s business, including such effects on, among other things, its employees, tenants, customers, financing sources and business prospects, the Colonial Board determined not to solicit proposals for other transactions, whether a merger or sale, through an auction process or otherwise. The Colonial Board s consideration of potential alternatives to the mergers was informed by, among other matters, its familiarity with the various indications of interest and preliminary discussions involving potential transaction partners communicated from time to time, including the unsolicited inquiries received from Company B and Company D and described in this joint consent solicitation/prospectus under The Mergers Background of the Mergers. The Colonial Board concluded that the MAA merger, as compared to potential alternative transactions, would be in the best interests of Colonial s shareholders and Colonial LP s unitholders in light of the overall terms of the MAA merger and the timing, likelihood and risks of completing alternative transactions, including the business, competition, industry and market risks that would apply to Colonial.

In particular, in deciding to approve the merger agreement, rather than to attempt to pursue a transaction with Company B on the basis of Company B s written proposal received in April 2013, the Colonial Board considered the following material factors:

the Colonial Board s determination, based on its consideration of the business, strategic plan, operating results, and management team of the Combined Corporation, as well as cost synergies and other

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strategic benefits of a transaction with MAA described above, that it was in the best interests of the Colonial shareholders and Colonial LP s unitholders for Colonial to pursue a transaction with MAA, offering Colonial shareholders and Colonial LP s unitholders the prospect of continued participation in the long-term value creation of the Combined Corporation and MAA LP, rather than pursue an all-cash sale transaction with Company B at the all-cash price included in Company B s proposal;

the less developed nature of Company B s proposal and the risk of not being able to reach agreement on mutually acceptable terms with Company B with respect to a sale transaction due to, among other things:

- the need for Company B to conduct diligence on Colonial (which had not yet been initiated);
- the need for Company B to obtain substantial equity and debt financing, including from third party sources, which would be expected to conduct their own separate diligence investigation of Colonial;
- the increased risk of information leaks and other significant adverse effects on Colonial, including on its personnel and operations, due to the larger number of third parties that would be involved in a lengthy diligence evaluation of Colonial and the distractions during the pendency of the multi-party diligence process;
- the need to negotiate specific merger terms and the related definitive agreement, including (i) additional issues arising from the terms included in Company B s written proposal, such as financing matters, closing conditions, and the termination provisions, and (ii) other matters not addressed in Company B s written proposal, such as consequences of Company B s failure to obtain the requisite third party financing or refusal to close the transaction after it signs a definitive agreement, including negotiation of remedies in certain circumstances if Company B failed or refused to complete the transaction; and
- the additional complexity associated with Company B s intention to negotiate with and retain a third party operator as a partner to operate Colonial properties, as well as the third party operator s desire to acquire specific properties of Colonial.

uncertainty regarding the final all-cash purchase price to be offered by Company B and the concern, given that Company B s all-cash purchase price proposal was based on only publicly available information, that the all cash price would be reduced during the diligence and negotiation process, particularly in light of the fact that, based on statements by the Company B chief financial officer in April 2013, the all-cash price of $26.50 had already been reduced by Company B s investment committee based on valuation considerations associated with certain land recorded on Colonial s financial statements, as discussed above under The Mergers Background of the Mergers ;

that, given the need for third party financing, a transaction with Company B would involve greater risk that the ability of the parties to complete the transaction on the terms negotiated may be adversely affected due to adverse market conditions or economic or other events outside the control of the parties, which would increase the risk that a closing may not ultimately occur on the terms negotiated with Company B or at all;

that, as discussed above, the provisions of the merger agreement with MAA would permit Colonial, under certain circumstances, to terminate the merger agreement in order to enter into an agreement providing for a Superior Proposal, provided that Colonial (i) complies with its obligations relating to the entering into of any such agreement and (ii) immediately prior to or concurrently with the termination of the merger agreement pays a termination fee of $75 million and reimburses MAA for expenses (up to $10 million); and

the risk that, during the time needed for Company B to finalize and present a final offer, including the time necessary to conduct diligence and assemble equity and debt financing and negotiate with a third party operator, the proposed transaction with MAA may no longer be available.

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The Colonial Board also considered a variety of risks and other potentially negative factors concerning the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the following material factors:

that, following completion of the mergers, Colonial would no longer exist as an independent public company and Colonial s shareholders and Colonial LP unitholders would be able to participate in any future earnings growth of Colonial solely through their ownership of MAA common stock;

the risk that, notwithstanding the likelihood of the mergers being completed, the mergers may not be completed, including the effect of the pendency of the parent merger and the effect such failure to be completed may have on:

the trading price of Colonial common shares (and thus the value of the Colonial LP units);

Colonial s operating results, particularly in light of the costs incurred in connection with the transaction; and

Colonial s ability to attract and retain key personnel, tenants, suppliers and customers;

that, under the terms of the merger agreement, Colonial must pay MAA a termination fee of $75 million and/or reimburse certain expenses incurred by MAA in connection with the parent merger (up to $10 million) if the merger agreement is terminated under certain circumstances, which may deter other parties from proposing an alternative transaction that may be more advantageous to Colonial shareholders and Colonial LP unitholders, or which may become payable following a termination of the merger agreement in circumstances where no alternative acquisition agreement or Superior Proposal is available to Colonial;

the risk that, although the terms of the merger agreement would permit Colonial, until approval of the parent merger by its shareholders, to furnish non-public information to, or engage in discussions or negotiations with, third parties making unsolicited acquisition proposals that the Colonial Board determines are reasonably likely to lead to a Superior Proposal and to terminate the merger agreement to accept a superior proposal, subject to payment to MAA of a termination fee of $75 million and reimbursement of expenses (up to $10 million), other potential bidders may choose not to make an alternative transaction proposal and that, historically, the incidence of such superior proposals are relatively rare;

that the terms of the merger agreement place limitations on the ability of Colonial to initiate, solicit or knowingly encourage or knowingly facilitate any inquiries or the making of any proposal or offer by or with a third party with respect to an acquisition proposal;

the risk that MAA may receive a Superior Proposal and terminate the merger agreement upon payment of a termination fee to Colonial of $75 million plus reimbursement of expenses incurred by Colonial (up to $10 million) in accordance with the terms of the merger agreement;

that, if the mergers do not close, Colonial s employees will have expended extensive time and efforts to attempt to complete the transaction and will have experienced significant distractions from their work during the pendency of the transaction;

the possibility that the mergers may not be completed, or that completion may be unduly delayed, for reasons beyond the control of Colonial or MAA, including because Colonial shareholders and/or MAA shareholders may not approve the parent merger and the other transactions contemplated by the merger agreement, because approval of the unitholders of MAA LP may not be obtained, or because the required third party consents may not be obtained;

that Colonial is not permitted to terminate the merger agreement solely because of changes in the market price of MAA common stock and the risk that, because the merger consideration is MAA common stock and the exchange ratio is fixed, Colonial shareholders and Colonial LP unitholders may be adversely affected by any decrease in the trading price of MAA common stock between the

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announcement of the transaction and the completion of the mergers, which would not have been the case had the consideration been based solely on a fixed value (that is, a fixed dollar amount of value per share in all cases);

the risk that the cost savings, operational synergies and other benefits to the holders of Colonial common shares expected to result from the parent merger might not be fully realized or not realized at all, including as a result of possible changes in the real estate market or the multifamily industry affecting the markets in which the Combined Corporation and MAA LP will operate or as a result of potential difficulties integrating the two companies and their respective operations;

the restrictions on the conduct of Colonial s business prior to the completion of the mergers, which could delay or prevent Colonial and Colonial LP from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of Colonial absent the pending completion of the parent merger;

that Colonial and MAA may be obligated to complete the parent merger without having obtained appropriate consents, approvals or waivers from, or successfully refinanced, the outstanding indebtedness of Colonial and MAA that requires lender consent or approval to consummate the parent merger, and the risk that such consummation could trigger the termination of, and mandatory prepayments of all amounts outstanding under, certain of MAA s and Colonial s indebtedness;

that, if the Colonial Board had determined to pursue a sale of the company and engaged in negotiations with a third party, including Company B, and reached agreement on the terms of a definitive sale transaction with such third party, the all-cash per share purchase price potentially could have been superior to the value of the merger consideration to be received by Colonial shareholders and Colonial LP unitholders in the strategic combination merger with MAA and MAA LP;

that certain of Colonial s trustees and executive officers have certain interests in the mergers that might be different from the interests of Colonial s shareholders and Colonial LP unitholders generally as described under the section entitled The Mergers Interests of Colonial s Trustees and Executive Officers in the Mergers beginning on page 81;

that neither MAA nor MAA LP obtained a fairness opinion in connection with the partnership merger; and

the substantial costs to be incurred in connection with the transactions, including the transaction expenses arising from the mergers and the costs of integrating the businesses of Colonial and MAA.

This discussion of the information and factors considered by the Colonial Board and Colonial, in its capacity as the sole general partner of Colonial LP, in reaching its respective conclusions and recommendation is not intended to be exhaustive and is not provided in any specific order or ranking. In view of the wide variety of factors considered by the Colonial Board in evaluating the merger agreement and the transactions contemplated by it, including the partnership merger, and the complexity of these matters, the Colonial Board did not find it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weight to those factors. In addition, different members of the Colonial Board may have given different weight to different factors. The Colonial Board did not reach any specific conclusion with respect to any of the factors considered and instead conducted an overall review of such factors and determined that, in the aggregate, the potential benefits considered outweighed the potential risks or possible negative consequences of approving the merger agreement.

COLONIAL, IN ITS CAPACITY AS THE SOLE GENERAL PARTNER OF COLONIAL LP, RECOMMENDS THAT COLONIAL LP UNITHOLDERS APPROVE THE MERGER AGREEMENT AND THE PARTNERSHIP MERGER.

The explanation of the reasoning of the Colonial Board and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled Cautionary Statement Concerning Forward-Looking Statements beginning on page 41.

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Interests of MAA s Directors and Executive Officers in the Mergers

In considering the recommendation of the MAA Board, in its capacity as the sole general partner of MAA LP, to approve the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement, MAA LP unitholders should be aware that certain executive officers and directors of MAA have certain interests in the mergers that may be different from, or in addition to, the interests of MAA shareholders and MAA LP unitholders generally. These interests may create potential conflicts of interest. The MAA Board was aware of those interests and considered them, among other matters, in reaching its decision to approve the merger agreement and the transactions contemplated thereby.

Following the consummation of the mergers, all seven of the current members of the MAA Board will continue as members of the board of directors of the Combined Corporation. H. Eric Bolton, Jr., MAA s Chief Executive Officer and Chairman of the Board of Directors, will serve as Chief Executive Officer and Chairman of the Board of Directors of the Combined Corporation. Alan B. Graf, Jr. and Ralph Horn, Co-Lead Independent Directors for MAA, will serve as Co-Lead Independent Directors for the Combined Corporation. In addition, Albert M. Campbell, III, MAA s Chief Financial Officer, will serve as Chief Financial Officer of the Combined Corporation, and Thomas L. Grimes, Jr., MAA s Chief Operating Officer, will serve as the Chief Operating Officer of the Combined Corporation.

H. Eric Bolton, Jr., MAA s Chief Executive Officer and Chairman of the Board of Directors, and W. Reid Sanders, a director of MAA, each own limited partnership units in MAA LP. The ownership of these limited partnership units may result in Messrs. Bolton and Sanders having interests in the mergers that are different from, or in addition to, those of MAA shareholders generally. In connection with the mergers, MAA has agreed to amend and restate the limited partnership agreement of MAA LP to contain substantially the same provisions as contained in the existing limited partnership agreement of Colonial LP including, in particular, for the benefit of limited partners in MAA LP after the partnership merger, a provision relating to the consideration of the income tax considerations of limited partners of MAA LP with respect to actions taken by the general partner of MAA LP. Messrs. Bolton and Sanders, as limited partners of MAA LP, will have the benefits of this provision following the partnership merger.

Employment Agreements and Change of Control Agreements with MAA s Executive Officers

Certain MAA executives, including H. Eric Bolton, Jr., Albert M. Campbell III, and Thomas L. Grimes, Jr., are parties to either employment agreements or change in control and termination agreements with MAA, each of which provides for, among other things, severance payments and benefits upon a qualifying termination of employment without cause or for good reason upon or after a change of control (each, as defined in the applicable agreement), and, pursuant to the terms of the applicable agreements, these MAA executives are entitled to accelerated vesting of restricted stock awards upon such qualifying termination. Additionally, pursuant to the terms of certain awards of restricted stock granted to each MAA executive officer under MAA s 2004 Stock Plan, vesting will accelerate upon a change in control (as defined in the applicable award agreement). The mergers will constitute a change in control for purposes of these agreements and MAA s 2004 Stock Plan.

Waiver Agreements

On June 3, 2013, at the request of the MAA Board, MAA entered into waiver agreements with each of its executive officers, which provide that (i) the mergers will not constitute a change in control for purposes of the MAA executive s employment agreement or change in control and termination agreement, as applicable, and related restricted stock agreement(s), (ii) any termination of the executive s employment that occurs in connection with or following the mergers will not constitute a change in control termination for purposes of the employment agreement or change in control and termination agreement, as applicable, and (iii) the vesting or payment of any restricted stock held by the executive shall not automatically accelerate upon or solely in connection with the mergers. Therefore, as a result of such waivers, none of MAA s executive officers is a party to an agreement with MAA, or participates in any MAA plan, program or arrangement, that provides for payments or benefits based on or that otherwise relate to the consummation of the mergers.

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The MAA Board was aware of the interests described in this section and considered them, among other matters, in approving the merger agreement and making its recommendation that MAA shareholders approve the parent merger and the other transactions contemplated by the merger agreement. See Recommendation of the MAA Board and Its Reasons for the Mergers above.

Interests of Colonial s Trustees and Executive Officers in the Mergers

In considering the recommendation of Colonial, in its capacity as the sole general partner of Colonial LP, to approve and adopt the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement, Colonial LP unitholders should be aware that executive officers and trustees of Colonial have certain interests in the mergers that may be different from, or in addition to, the interests of Colonial shareholders and Colonial LP unitholders generally. These interests may create potential conflicts of interest. The Colonial Board was aware of those interests and considered them, among other matters, in reaching its decision to approve and adopt the merger agreement, the partnership merger and the transactions contemplated by the merger agreement.

Severance Arrangements

Prior to the Colonial Board s approval and adoption of the merger agreement, the executive compensation committee of the Colonial Board, referred to in this joint consent solicitation/prospectus as the Colonial Compensation Committee, approved certain severance arrangements described below with respect to Colonial s executive officers: Thomas M. Lowder, Paul F. Earle, John P. Rigrish, Bradley P. Sandidge, and Jerry Brewer (we refer to each as a Colonial executive officer and collectively as the Colonial executive officers).

In the event that the Colonial executive officer is terminated by Colonial upon the consummation of the mergers and provided that he is continuously employed by Colonial through the closing, the Colonial executives would be entitled to the following severance payments:

- In addition to payments under his existing Non-Competition Agreement with Colonial LP and Colonial, described further below, Mr. Lowder will receive a severance payment equal to two times the average annual incentive compensation paid to him for the three completed fiscal years immediately preceding the closing of the mergers.

- Each of Messrs. Earle and Rigrish will receive a severance payment equal to one and one-half times the sum of (1) his annual base salary in effect on the closing date of the mergers, plus (2) the average annual incentive compensation paid to him for the three completed fiscal years immediately preceding the closing of the mergers; and

- Each of Messrs. Sandidge and Brewer will receive a severance payment equal to one times the sum of (1) his annual base salary in effect on the closing date of the mergers, plus (2) the average annual incentive compensation paid to him for the three completed fiscal years immediately preceding the closing of the mergers.

In the event of such a termination of employment, these severance payments will be payable in a lump-sum payments of cash on or shortly after the closing of the mergers. With respect to Mr. Lowder, such severance payment will be payable in addition to any payments that Mr. Lowder would receive under his existing Non-Competition Agreement with Colonial LP and Colonial, entered into as of May 4, 2007, described further below under Change in Control Compensation.

In addition to the severance payments described above, each Colonial executive officer who is terminated by Colonial effective upon the consummation of the mergers will receive a payment with respect to any unused vacation on or shortly after the closing of the mergers, provided that such Colonial executive officer is continuously employed by Colonial through the closing of the mergers.

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Pro-Rata Annual Incentive Payments

In connection with the mergers, the Colonial Compensation Committee approved the payment to eligible employees, including the Colonial executive officers, of a pro-rata portion of the employee s annual incentive under Colonial s annual incentive plan for 2013 if the employee is terminated by Colonial upon the consummation of the mergers and provided that such employee is continuously employed by Colonial through the closing of the mergers. The pro-rata annual incentive payments will be payable in a lump sum payment of cash on or shortly after the closing of the mergers. The Colonial Compensation Committee will determine Colonial s achievement as compared to the performance goals specified in the annual incentive plan for 2013 prior to the closing of the mergers and will determine the amount of the pro-rata annual incentive payments based on such achievement.

The performance criteria previously established for the 2013 annual incentive plan are based on a combination of total return for Colonial for the year (the absolute measure) and total return for Colonial as compared to an index of comparable REITs over one-, two-, and three- year periods (each, a relative measure). For purposes of the 2013 annual incentive plan, total return is equal to the share price of Colonial (or the companies in the index of comparable REITs, as the case may be) plus any dividends reinvested in Colonial (or the companies in the index of comparable REITs, as the case may be) calculated based on reinvestment on the ex-dividend pay date.

Colonial s absolute measure must be positive for the plan year for any payout to occur; however, (1) if the absolute measure is negative but Colonial s total return is at least at the median level of performance when compared to *the one-year total return* relative measure, the Colonial Compensation Committee has discretion to pay up to 20% of the payout calculated based on the relative measures results, and (2) if the absolute measure is positive and Colonial s total return is at least at the median level of performance when compared to *the one-year total return* relative measure, the Colonial Compensation Committee has the discretion to increase the award amount up to 20% of the payout calculated based on the relative measures results. In addition to this specific discretionary authority, the Colonial Compensation Committee retains discretion to adjust any payment that is otherwise under the terms of the 2013 annual incentive plan. The amounts actually payable to the participants are determined based upon whether Colonial performance meets the threshold, median, target or maximum level for the relative measures. For each relative measure, the threshold level is the 25th percentile, the median level is the 50th percentile, the target level is the 75th percentile and the maximum level is the 90th percentile. The relative measures are weighted equally, i.e., 33.33% of any payout is based on the one-year relative measure; 33.33% of any payout is based on the two-year relative measure, and 33.33% of any payout is based on the three-year relative measure.

Under the terms of the 2013 annual incentive plan, the performance payout thresholds were set as follows: (1) for Mr. Lowder, the threshold level pays at a maximum of 1% of base salary, the median level pays at a maximum of 100% of base salary, the target level pays at a maximum of 200% of base salary, and the maximum level pays at a maximum of 300% of base salary; (2) for Mr. Earle, the threshold level pays at a maximum of 1% of base salary, the median level pays at a maximum of 100% of base salary, the target level pays at a maximum of 150% of base salary, and the maximum level pays at a maximum of 225% of base salary; and (3) for the other Colonial executive officers, the threshold level pays at a maximum of 1% of base salary, the median level pays at a maximum of 50% of base salary, the target level pays at a maximum of 100% of base salary, and the maximum level pays at a maximum of 150% of base salary.

Treatment of Colonial Options and Restricted Shares

Under the terms of the merger agreement, at the effective time of the parent merger, MAA will assume each outstanding option to acquire Colonial common shares. Each option so assumed by MAA will continue to have, and be subject to, the same terms and conditions, including vesting schedule, as were applicable to the corresponding option immediately prior to the effective time of the parent merger.

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In addition, under the merger agreement, immediately prior to the effective time of the parent merger, each then-outstanding restricted Colonial common share will be converted into the right to receive shares of MAA common stock that are subject to the same vesting and forfeiture conditions and other terms and conditions as are applicable to the Colonial restricted share awards immediately prior to the consummation of the parent merger.

As a result of the transactions contemplated under the merger agreement, 386,307 restricted Colonial common shares held by Colonial s executive officers and trustees would be converted into the right to receive 139,070 shares of MAA common stock pursuant to the parent merger, which based on the closing price of MAA common shares on August 20, 2013, the latest practicable date prior to the filing of this joint consent solicitation/prospectus, would have an aggregate value of $8,658,498, and 1,277,705 options to acquire Colonial common shares held by the Colonial executive officers and trustees that would be exercisable for 459,974 shares of MAA common stock would be assumed by MAA.

If an eligible employee s (including a Colonial executive officer s) employment is terminated by Colonial upon the consummation of the mergers, all restricted shares held by such employee will accelerate in full immediately prior to the closing of the mergers. In addition, all outstanding options held by such eligible employee that are not already fully vested and exercisable will accelerate and become immediately exercisable in full, effective upon the closing of the mergers, and remain exercisable for a 90-day period following the closing of the mergers (or, if earlier, the date the option terminates in accordance with its terms). The above-described acceleration and assumption of unvested options is conditioned upon the consummation of the mergers, the termination of the eligible employee s employment upon the closing of the mergers, and the continuous employment of the eligible employee with Colonial through the closing of the mergers.

The Colonial Compensation Committee has also provided that in the event that a remaining eligible employee s (including an executive officer s) employment is terminated by the Combined Corporation without cause (as defined below) or the employee resigns for good reason, (as defined below) within one year following the closing of the mergers, the unvested portion of the option and restricted shares held by such eligible employee will become fully vested and each such option may be exercised in full for the one-year period immediately following the effective date of such termination or, if earlier, the date the option terminates in accordance with its terms.

For purposes of the foregoing, cause means (1) gross negligence or willful misconduct in connection with the performance of duties; (2) conviction of a criminal offense (other than minor traffic offenses); or (3) material breach of any term of any employment, consulting or other services, confidentiality, intellectual property or non-competition agreements.

For purposes of the foregoing, good reason means the occurrence of any of the following events with respect to the employee: (1) a material, adverse alteration in the employee s title or responsibilities from those in effect immediately prior to the consummation of the mergers; (2) a material reduction in the employee s base salary and annual target bonus opportunity as of immediately prior to the consummation of the mergers; or (3) the relocation of the employee s principal place of employment to a location more than 35 miles from the employee s principal place of employment as of the consummation of the mergers or Colonial s (or the Combined Corporation s) requiring the employee to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on Colonial s (or the Combined Corporation s) business to an extent substantially consistent with the employee s business travel obligations as of immediately prior to the consummation of the mergers. To qualify as a resignation for good reason the employee must provide notice to Colonial (or the Combined Corporation) of any of the foregoing occurrences within 90 days of the initial occurrence, Colonial (or the Combined Corporation) will have 30 days to remedy such occurrence, and the employee s employment must terminate within 30 days after the end of such 30-day cure period.

With respect to each Colonial trustee that will not be joining the MAA Board immediately after the closing of the mergers, all restricted shares held by such trustee will accelerate in full immediately prior to the closing of

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the mergers and all outstanding options held by such trustee that are not already fully vested and exercisable will accelerate and become immediately exercisable in full, effective upon the closing of the mergers.

The following tables set forth for the Colonial executive officers and trustees the number of (i) Colonial common shares underlying vested Colonial options, (ii) Colonial common shares underlying unvested Colonial options, and (iii) Colonial restricted shares, in each case as held by the Colonial executive officers and trustees on August 20, 2013 and assuming continued employment through the date of the closing of the mergers:

Executive Officers

Name	Shares Underlying Vested Options[1]	Shares Underlying Unvested Options[2]	Restricted Shares
Thomas H. Lowder	247,571	230,681	173,101
Paul F. Earle	112,106	142,073	109,525
John P. Rigrish	15,363	44,267	33,439
Bradley P. Sandidge	33,188	42,399	26,833
Jerry A. Brewer	18,067	41,400	25,859

(1) Weighted average exercise price per share of vested options is: for Mr. Lowder, $16.04; for Mr. Earle, $13.03; for Mr. Rigrish, $16.56; for Mr. Sandidge, $11.92; and for Mr. Brewer, $13.03.
(2) Weighted average exercise price per share of unvested options is: for Mr. Lowder, $20.16; for Mr. Earle, $20.19; for Mr. Rigrish, $20.18; for Mr. Sandidge, $20.20; and for Mr. Brewer, $20.16.

Trustees

Name	Shares Underlying Vested Options[1]	Shares Underlying Unvested Options[2]	Restricted Shares
James K. Lowder	40,000	4,510	1,950
Carl F. Bailey	45,000	4,510	1,950
Edwin M. Crawford	10,000	4,510	1,950
M. Miller Gorrie	20,000	4,510	1,950
William M. Johnson	35,000	4,510	1,950
Herbert A. Meisler	40,000	4,510	1,950
Claude B. Nielsen	45,000	4,510	1,950
Harold W. Ripps	25,000	4,510	1,950
John W. Spiegel	50,000	4,510	1,950

(1) Weighted average exercise price per share of vested stock options is: for Mr. Lowder, $26.33; for Mr. Bailey, $24.19; for Mr. Crawford, $21.63; for Mr. Gorrie, $30.69; for Mr. Johnson, $23.59; for Mr. Meisler, $26.33; for Mr. Nielsen, $24.19; for Mr. Ripps, $28.66; and for Mr. Spiegel, $24.48.
(2) Weighted average exercise price per share of unvested stock options is $22.71.

Directors of MAA after the Parent Merger

Under the merger agreement, within two weeks after the execution and delivery of the merger agreement, Colonial was required to designate five members of the existing Colonial Board to be appointed to the Combined Corporation board of directors following the parent merger. The merger agreement provided that Thomas H. Lowder was to be one of the Colonial designees and that each of the other Colonial designees must be one of the current Colonial Board members listed on a schedule to the merger agreement, which schedule listed the following existing Colonial Board members: James K. Lowder, Claude B. Nielsen, Harold W. Ripps, John W. Spiegel, Edwin M. Crawford and William M. Johnson. On June 10, 2012, the governance committee of the Colonial Board approved Thomas H. Lowder, James K. Lowder, Claude B.

Nielsen, Harold W. Ripps and John W. Spiegel to join the Combined Corporation board of directors following the parent merger. Under the terms of

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the merger agreement, each of the Colonial designees will serve until the 2014 annual meeting of MAA s shareholders (and until their successors have been elected and qualified) and will be nominated by the board of directors of the Combined Corporation for reelection at the 2014 and 2015 annual meetings of MAA s shareholders, subject to the satisfaction of such Colonial designees with MAA s then-current corporate governance guidelines and code of business conduct and ethics. The Colonial designees will be entitled to fees and other compensation and participation in options, share or other benefit plans for which directors of MAA are eligible.

Indemnification and Insurance

For a period of six years after the effective time of the partnership merger, pursuant to the terms of the merger agreement and subject to certain limitations, the Combined Corporation will indemnify and hold harmless, among others, each officer and trustee of Colonial, for actions at or prior to the effective time of the partnership merger, including with respect to the transactions contemplated by the merger agreement, to the fullest extent permitted under applicable law. In addition, pursuant to the terms of the merger agreement and subject to certain limitations, prior to the effective time of the partnership merger, Colonial has agreed to purchase and MAA has agreed to cause to be maintained in full force and effect for a period of six years after the effective time of the partnership merger, a tail prepaid insurance policy or policies of at least the same coverage and amounts and containing terms and conditions that are no less favorable to, among others, the officers and trustees of Colonial as Colonial s existing policies with respect to directors and officers liability insurance for claims arising from facts or events that occurred on or prior to the effective time of the partnership merger. If such tail insurance policy cannot be obtained or can be obtained only by paying an annual premium in excess of 300% of the current annual premium paid by Colonial, MAA will maintain in effect, for a period of at least six years after the effective time of the partnership merger, as much similar insurance as is reasonably practicable for an annual premium equal to 300% of the current annual premium paid by Colonial. These interests are described in detail below at The Merger Agreement Covenants and Agreements Indemnification of Directors and Officers; Insurance.

The Colonial Board was aware of the interests described in this section and considered them, among other matters, in reaching its decision to approve and adopt the merger agreement, the partnership merger and the other transactions contemplated by the merger agreement and they were taken into account by Colonial, in its capacity as the sole general partner of Colonial LP, in recommending that Colonial LP unitholders approve and adopt the merger agreement and the partnership merger. See The Mergers Recommendation of Colonial and Its Reasons for the Mergers.

Executive Compensation Payable in Connection with the Mergers

The named executive officers of Colonial LP s general partner, for purposes of the disclosure in this joint consent solicitation/prospectus, are Thomas H. Lowder, Paul F. Earle, John P. Rigrish and Bradley P. Sandidge.

Change in Control Compensation

The following table sets forth information regarding certain compensation that each of Colonial s named executive officers may receive that is based on, or that otherwise relates to, the mergers. The figures in the table are estimated based on compensation levels as of the date of this document and an assumed effective date of August 20, 2013 (the latest practicable date prior to the filing of this joint consent solicitation/prospectus) for both the mergers and the termination of the executive s employment. The amounts reported below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including an assumption that the employment of each of Colonial s named executive officers will terminate upon consummation of the mergers and other assumptions described in this document. All amounts below determined using the per share value of Colonial common shares have been calculated based on a per share price of Colonial common shares of $23.66 (the average closing market price of Colonial common shares over the first five

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business days following the public announcement of the mergers on June 3, 2013). As a result of the foregoing assumptions, the actual amounts, if any, to be received by a named executive officer may materially differ from the amounts set forth below. The merger-related compensation payable to Colonial s named executive officers is subject to a non-binding advisory vote of Colonial s shareholders in connection with the parent merger.

Name	Cash ($)	Equity[1] ($)	Total ($)
Thomas H. Lowder	4,410,383[2]	4,902,278	9,312,661
Paul F. Earle	2,402,202[3]	3,083,793	5,485,995
John P. Rigrish	874,492[4]	945,279	1,819,771
Bradley P. Sandidge	704,854[5]	781,529	1,486,383

(1) Each named executive officer holds unvested options and restricted Colonial common shares that will accelerate in full immediately prior to the closing of the mergers if the executive officer s employment is terminated by Colonial upon consummation of the mergers. These are double-trigger change-in-control arrangements. The amount shown in the table is based upon the following holdings of options and restricted common shares that would be accelerated upon consummation of the mergers as of August 20, 2013: (i) 230,681 shares underlying options and 173,101 restricted common shares for Mr. Lowder; (ii) 142,073 shares underlying options and 109,525 restricted common shares for Mr. Earle; (iii) 44,267 shares underlying options and 33,439 restricted common shares for Mr. Rigrish; and (iv) 42,399 shares underlying options and 26,833 restricted common shares for Mr. Sandidge. The value for options is equal to the difference between $23.66 per share and the per share exercise price of each such option that would become exercisable, multiplied by the number of common shares receivable upon exercise. The value of restricted common shares is $23.66 per share. These amounts are subject to reduction to the extent the payments would be considered parachute payments within the meaning of Section 280G of the Code if such reduction would give the named executive officer a better after-tax result than if he received the full payments.

(2) This amount represents the sum of: (i) an aggregate payment of $1,100,000 under Mr. Lowder s Non-Competition Agreement with Colonial LP and Colonial, entered into as of May 4, 2007, payable over the two-year period following Mr. Lowder s termination of employment and subject to Mr. Lowder s compliance with the non-competition and non-solicitation provisions set forth in such agreement during such period; (ii) a lump sum payment of $2,030,699, which is equal to two times the average annual incentive compensation paid to him for the three completed fiscal years immediately preceding the closing of the mergers; (iii) a lump sum payment of $42,308, which represents Mr. Lowder s unused vacation; and (iv) a lump sum payment of $1,237,376, which represents a pro-rata portion of Mr. Lowder s annual incentive under Colonial s annual incentive plan for 2013 (determined based on the maximum amount payable under Colonial s annual incentive plan for 2013 pro-rated through the end of the third quarter of 2013). The payments in items (ii) through (iv) are double-trigger change-in-control arrangements and are payable only if Mr. Lowder s employment is terminated by Colonial upon the consummation of the mergers.

(3) This amount represents the sum of: (i) an aggregate payment of $1,601,444, which is equal to one and one-half times the sum of (A) Mr. Earle s annual base salary, plus (B) the average annual incentive compensation paid to Mr. Earle for the three completed fiscal years immediately preceding the closing of the mergers; (iii) a lump sum payment of $26,769, which represents Mr. Earle s unused vacation; and (iv) a lump sum payment of $773,989, which represents a pro-rata portion of Mr. Earle s annual incentive under Colonial s annual incentive plan for 2013 (determined based on the maximum amount payable under Colonial s annual incentive plan for 2013 pro-rated through the end of the third quarter of 2013). These payments are double-trigger change-in-control arrangements and are payable only if Mr. Earle s employment is terminated by Colonial upon the consummation of the mergers.

(4) This amount represents the sum of: (i) an aggregate payment of $616,103, which is equal to one and one-half times the sum of (A) Mr. Rigrish s annual base salary, plus (B) the average annual incentive compensation paid to Mr. Rigrish for the three completed fiscal years immediately preceding the closing of the mergers; (iii) a lump sum payment of $16,538, which represents Mr. Rigrish s unused vacation; and

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(iv) a lump sum payment of $241,851, which represents a pro-rata portion of Mr. Rigrish s annual incentive under Colonial s annual incentive plan for 2013 (determined based on the maximum amount payable under Colonial s annual incentive plan for 2013 pro-rated through the end of the third quarter of 2013). These payments are double-trigger change-in-control arrangements and are payable only if Mr. Rigrish s employment is terminated by Colonial upon the consummation of the mergers.

(5) This amount represents the sum of: (i) an aggregate payment of $421,958, which is equal to one times the sum of (A) Mr. Sandidge s annual base salary, plus (B) the average annual incentive compensation paid to Mr. Sandidge for the three completed fiscal years immediately preceding the closing of the mergers; (iii) a lump sum payment of $12,923, which represents Mr. Sandidge s unused vacation; and (iv) a lump sum payment of $269,973, which represents a pro-rata portion of Mr. Sandidge s annual incentive under Colonial s annual incentive plan for 2013 (determined based on the maximum amount payable under Colonial s annual incentive plan for 2013 pro-rated through the end of the third quarter of 2013). These payments are double-trigger change-in-control arrangements and are payable only if Mr. Sandidge s employment is terminated by Colonial upon the consummation of the mergers.

Regulatory Approvals Required for the Mergers

We are not aware of any material federal or state regulatory requirements that must be complied with, or approvals that must be obtained, in connection with the mergers or the other transactions contemplated by the merger agreement.

Accounting Treatment

MAA LP prepares its financial statements in accordance with GAAP. The partnership merger will be accounted for by applying the acquisition method, which requires the identification of the acquirer, the determination of the acquisition date, the recognition and measurement, at fair value, of the identifiable assets acquired, liabilities assumed and any noncontrolling interest in the consolidated subsidiaries of the acquiree and recognition and measurement of goodwill or a gain from a bargain purchase. The accounting guidance for business combinations, referred to as ASC 805, provides that in a business combination involving the exchange of equity interests, the entity issuing the equity interests is usually the acquirer; however, all pertinent facts and circumstances must be considered, including the relative voting rights of the equity holders of the constituent companies in the combined entity, the composition of the board of directors and senior management of the combined entity, the relative size of the company and the terms of the exchange of equity interests in the business combination, including payment of a premium.

Based on the fact that MAA and MAA LP are the entities issuing the equity securities, that continuing MAA equity holders will own approximately 56% of the issued and outstanding shares of Combined Corporation common stock, assuming the conversion of all MAA LP units held by existing holders of MAA LP units to shares of Combined Corporation common stock, and former Colonial equity holders will own approximately 44% of the issued and outstanding shares of common stock of the Combined Corporation, assuming the conversion of all MAA LP units to former holders of Colonial LP units to shares of Combined Corporation common stock, and that MAA board members and senior management will represent the majority of the board and senior management of the Combined Corporation, and based on the terms of the parent merger, with Colonial shareholders receiving a premium (as of the trading day immediately preceding the merger announcement) over the fair market value of their shares on such date, MAA LP is considered the acquirer for accounting purposes. Therefore, MAA LP will recognize and measure, at fair value, the identifiable assets acquired, liabilities assumed and any noncontrolling interests in the consolidated subsidiaries of Colonial LP, and MAA LP will recognize and measure goodwill and any gain from a bargain purchase, in each case, upon completion of the parent merger.

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No Dissenters Rights

MAA LP and Colonial unitholders are not entitled to appraisal or dissenters rights in connection with the partnership merger or, in the case of MAA LP, the adoption of the amended and restated MAA LP limited partnership agreement.

Deregistration of Colonial LP Units

After the partnership merger is completed, the Colonial LP Units will be deregistered under the Exchange Act.

Distributions

It is expected that each Colonial LP unit and MAA LP unit will continue to receive a distribution from Colonial LP and MAA LP, respectively, in substantially the same amount as the dividend paid on each Colonial common share or share of MAA common stock, respectively. The merger agreement permits MAA to continue to pay a regular quarterly distribution, in accordance with past practice at a rate not to exceed $0.695 per quarter, and any distribution that is reasonably necessary to maintain its REIT qualification and/or to avoid the imposition of U.S. federal income or excise tax. The merger agreement permits Colonial to pay a regular quarterly distribution, in accordance with past practice at a rate not to exceed $0.21 per quarter, and any distribution that is reasonably necessary to maintain its REIT qualification and/or to avoid the imposition of U.S. federal income or excise tax. The timing of quarterly dividends will be coordinated by MAA and Colonial so that that if either the MAA shareholders or the Colonial shareholders receive a dividend for any particular quarter prior to the closing the mergers, the shareholders of the other entity will also receive a dividend for that quarter prior to the closing of the mergers.

Litigation Relating to the Mergers

On June 19, 2013, a putative class action lawsuit was filed in the Circuit Court for Jefferson County, Alabama against Colonial and purportedly on behalf of a proposed class of all Colonial shareholders captioned *Williams v. Colonial Properties Trust*, *et al.* (the State Litigation). The complaint names as defendants Colonial, the members of the Colonial board of trustees, Colonial LP, MAA, MAA LP and OP Merger Sub and alleges that the Colonial trustees breached their fiduciary duties by engaging in an unfair process leading to the merger agreement, failing to secure and obtain the best price reasonable for Colonial shareholders, allowing preclusive deal protection devices in the merger agreement, and by engaging in conflicted actions. The complaint alleges that Colonial LP, MAA, MAA LP and OP Merger Sub aided and abetted those breaches of fiduciary duties. The complaint seeks a declaration that the defendants have breached their fiduciary duties or aided and abetted such breaches and that the merger agreement is unlawful and unenforceable, an order enjoining the consummation of the mergers, direction of the Colonial trustees to exercise their fiduciary duties to obtain a transaction that is in the best interests of Colonial, rescission of the mergers in the event they are consummated, an award of costs and disbursements, including reasonable attorneys and experts fees, and other relief.

On July 2, 2013, plaintiff moved for expedited fact discovery and for an expedited schedule for filing and hearing a preliminary motion to enjoin the mergers; on July 11, 2013, defendants opposed those motions and moved to stay fact discovery. On July 11, 2013, defendants also moved to dismiss the complaint for failure to state a claim upon which relief can be granted on the grounds that: (1) the claims against the Colonial trustees are derivative and not direct, and plaintiff did not comply with Alabama law on serving notice of the claims on Colonial prior to filing; and (2) Alabama law does not recognize a cause of action in aiding and abetting a breach of fiduciary duty and, even if it did, such claims would also be derivative and not direct. The Court scheduled a motions hearing for August 8, 2013, which was continued on the request of the parties to the State Litigation to August 14, 2013 to facilitate settlement discussions. In the meantime, on August 2, 2013, plaintiff filed an amended complaint that re-asserted plaintiff s earlier claims and added a new claim that the Colonial trustees breached their alleged duty of candor by not providing Colonial shareholders full and complete disclosures regarding the merger.

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On August 14, 2013, prior to the Court s scheduled hearing, the parties to the State Litigation reached an agreement in principle to settle the State Litigation, in which (a) defendants agreed to make certain additional disclosures in this joint proxy statement/prospectus, and (b) the parties agreed that they would use their best efforts to agree upon, execute and present to the Court a stipulation of settlement which would, among other things, (i) provide for the conditional certification of a non-opt out settlement class pursuant to Alabama Rules of Civil Procedure 23(b)(1) and (b)(2) consisting generally of all record and beneficial holders of the common stock of Colonial from June 3, 2013 through and including the date of the closing of the parent merger (the Settlement Class); (ii) release all claims that members of the Settlement Class may have that were alleged in the State Litigation or otherwise arising out of or relating in any manner to the parent merger (except Colonial shareholders statutory dissenters rights), and (iii) dismiss the State Litigation with prejudice. The proposed settlement also provides that the defendants will not oppose a request to the Court by plaintiff s counsel for attorney s fees up to an immaterial amount agreed to by the parties and is subject to, among other things, confirmatory discovery, agreement to a stipulation of settlement, and final court approval following notice to the Settlement Class. The parties reported the proposed settlement to the Court on August 14, 2013, and the Court ordered a stay of all proceedings (except those related to settlement). Colonial and MAA management believe that the allegations in the amended complaint are without merit and that the disclosures made prior to the settlement are adequate under the law but wish to settle the State Litigation in order to avoid the cost and distraction of further litigation. In the event that the stipulation of settlement is not approved by the Court, the defendants intend to vigorously defend the State Litigation.

On August 20, 2013, a purported Colonial shareholder filed an individual lawsuit in the United States District Court for the Northern District of Alabama against Colonial captioned *Kempen v. Colonial Properties Trust, et al.* (the Federal Litigation). The complaint names as defendants Colonial, the members of the Colonial board of trustees, Colonial LP, MAA, MAA LP and OP Merger Sub, and alleges that all defendants violated Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder because the joint proxy statement/prospectus included in the registration statement on Form S-4 filed with the SEC on July 19, 2013 is allegedly materially misleading, depriving plaintiff of making a fully informed decision regarding his vote on the parent merger. The complaint alleges that defendants misrepresented or omitted material facts concerning Colonial s projections, the financial analyses of Colonial s financial advisor, conflicts of interest affecting defendants and Colonial s financial advisor, and the process employed by the Colonial trustees leading up to the decision to approve and recommend the parent merger. Plaintiff seeks an order enjoining the consummation of the mergers, rescission of the mergers in the event they are consummated or awarding Plaintiff rescissory damages, and an award of costs and disbursements, including reasonable attorneys and experts fees. Colonial and MAA management believe that the allegations in the complaint are without merit and intend to vigorously defend the Federal Litigation.

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THE MERGER AGREEMENT

This section of this joint consent solicitation/prospectus summarizes the material provisions of the merger agreement, which is attached as Annex A to this joint consent solicitation/prospectus and is incorporated herein by reference. As a unitholder, you are not a third party beneficiary of the merger agreement and therefore you may not directly enforce any of its terms and conditions.

This summary may not contain all of the information about the merger agreement that is important to you. MAA, MAA LP and Colonial LP urge you to carefully read the full text of the merger agreement because it is the legal document that governs the mergers. The merger agreement is not intended to provide you with any factual information about MAA, MAA LP, Colonial or Colonial LP. In particular, the assertions embodied in the representations and warranties contained in the merger agreement (and summarized below) are qualified by information each of MAA and Colonial filed with the SEC prior to the effective date of the merger agreement, as well as by certain disclosure letters each of the parties delivered to the other in connection with the signing of the merger agreement, that modify, qualify and create exceptions to the representations and warranties set forth in the merger agreement. Moreover, some of those representations and warranties may not be accurate or complete as of any specified date, may apply contractual standards of materiality in a way that is different from what may be viewed as material by investors or that is different from standards of materiality generally applicable under the U.S. federal securities laws or may not be intended as statements of fact, but rather as a way of allocating risk among the parties to the merger agreement. The representations and warranties and other provisions of the merger agreement and the description of such provisions in this document should not be read alone but instead should be read in conjunction with the other information contained in the reports, statements and filings that each of MAA and Colonial file with the SEC and the other information in this joint consent solicitation/prospectus . See Where You Can Find More Information beginning on page 182.

MAA and Colonial acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, each of them is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this joint consent solicitation/prospectus not misleading.

Form, Effective Time and Closing of the Mergers

The merger agreement provides for the combination of Colonial and MAA through the merger of Colonial with and into MAA, with MAA surviving the parent merger upon the terms and subject to the conditions set forth in the merger agreement. The parent merger will become effective upon the later of such time as the articles of merger have been accepted for record by the Office of the Secretary of State for the State of Alabama or the articles of merger have been accepted for record by the Secretary of State of the State of Tennessee or at a later date and time agreed to by MAA and Colonial (not to exceed 30 days from the date the articles of merger are accepted for record). The merger agreement also provides for the merger, prior to the parent merger, of OP Merger Sub, a subsidiary of MAA LP, with and into Colonial LP with Colonial LP continuing as the surviving entity and an indirect wholly-owned subsidiary of MAA LP. The partnership merger will become effective upon such time as the certificate of merger has been filed with the Secretary of State for the State of Delaware or at a later date and time agreed to by MAA and Colonial (not to exceed 30 days from the date the certificate of merger is accepted for record). MAA and Colonial have agreed to cause the effective time of the partnership merger to occur prior to the effective time of the parent merger.

The merger agreement provides that the closing of the parent merger will take place at the date and time mutually agreed upon by MAA and Colonial but in no event later than the third business day following the date on which the last of the conditions to closing of the parent merger (described below under Conditions to Completion of the Mergers) have been satisfied or waived (other than the conditions that by their terms are to be satisfied at the closing of the parent merger, but subject to the satisfaction or waiver of those conditions), although MAA may elect in its reasonable discretion to accelerate or delay the date of closing to the last business

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day of the month in which the last of the conditions to closing of the parent merger have been satisfied or waived (provided the date of closing does not occur less than two business days and no more than 15 calendar days after the date on which all conditions to closing have been satisfied or waived).

The MAA parties and the Colonial parties have agreed to cooperate reasonably with each other to consider any reasonable changes requested by the other parties regarding the structure of the mergers and the other transactions contemplated by the merger agreement so long as the changes do not have certain effects.

Organizational Documents of the Combined Corporation

The MAA charter and MAA bylaws as in effect immediately prior to the effective time of the parent merger will continue to be in effect following the parent merger as the charter and bylaws of the Combined Corporation.

MAA has agreed to cause the limited partnership agreement of MAA LP to be amended and restated in all material respects in the form attached to this joint consent solicitation/prospectus as Annex B no later than the effective time of the partnership merger and the limited partnership agreement of MAA LP, as so amended and restated, will be the limited partnership agreement of MAA LP following the partnership merger.

Board of Directors of the Combined Corporation

Immediately following the effective time of the parent merger, the MAA Board will be increased to 12 members, with the seven current MAA directors, H. Eric Bolton, Jr., Alan B. Graf, Jr., Ralph Horn, Philip W. Norwood, W. Reid Sanders, William B. Sansom and Gary Shorb, continuing as directors of the Combined Corporation. Alan B. Graf, Jr. and Ralph Horn, Co-Lead Independent Directors for MAA, will serve as Co-Lead Independent Directors for the Combined Corporation. The MAA Board will fill the five newly created vacancies by immediately appointing to the MAA Board the five members designated by the Colonial Board, Thomas H. Lowder, James K. Lowder, Claude B. Nielsen, Harold W. Ripps and John W. Spiegel, which members are referred to herein as the Colonial designees, to serve until the 2014 annual meeting of MAA s shareholders (and until their successors have been duly elected and qualified). The Colonial designees will be nominated by the board of directors of the Combined Corporation for reelection at the 2014 and 2015 annual meetings of MAA s shareholders, in all cases subject to the satisfaction and compliance of such Colonial designees with MAA s then-current corporate governance guidelines and code of business conduct and ethics.

Merger Consideration; Effects of the Parent Merger and the Partnership Merger

Merger Consideration

At the effective time of the parent merger and by virtue of the parent merger, each outstanding Colonial common share (other than shares held by any wholly owned subsidiary of Colonial or by MAA or any of its subsidiaries and other than shares with respect to which dissenters rights have been properly exercised and not withdrawn under applicable law) will be converted into the right to receive 0.360, which is referred to herein as the exchange ratio, shares of MAA common stock, which is referred to herein as the merger consideration. No fractional shares of MAA common stock will be issued. Instead of fractional shares, Colonial shareholders will receive cash, without interest, in an amount determined by multiplying the fractional interest of MAA common stock to which the holder would otherwise be entitled by the volume weighted average price of MAA common stock for the 10 trading days immediately prior to the closing date, starting with the opening of trading on the first trading day to the closing of the second to last trading day prior to the closing date, as reported by Bloomberg.

At the effective time of the partnership merger, each outstanding limited partnership unit in Colonial LP will automatically be converted into 0.360 limited partnership units in MAA LP and Colonial LP will become an indirect wholly owned subsidiary of MAA LP.

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Procedures for Surrendering Colonial Share Certificates

The conversion of Colonial common shares into the right to receive the merger consideration will occur automatically at the effective time of the parent merger. In accordance with the merger agreement, MAA has appointed an exchange agent to handle the payment and delivery of the merger consideration and the cash payments to be delivered in lieu of fractional shares. At the effective time of the parent merger, the Combined Corporation will deliver to the exchange agent evidence of the MAA common stock in book-entry form sufficient to pay the merger consideration and cash in an amount sufficient to pay for any fractional shares. As soon as reasonably practicable after the effective time, but in no event later than two business days thereafter, the Combined Corporation will cause the exchange agent to mail (and make available for collection by hand) to each record holder of Colonial common shares, a letter of transmittal and instructions explaining how to surrender Colonial common share certificates to the exchange agent.

Each Colonial shareholder that surrenders its stock certificate to the exchange agent together with a duly completed letter of transmittal, and each Colonial shareholder that holds book-entry Colonial common shares, will receive the merger consideration due to such shareholder (including cash in lieu of any fractional shares). After the effective time of the parent merger, each certificate that previously represented Colonial common shares will only represent the right to receive the merger consideration into which those Colonial common shares have been converted.

Assumption of Colonial Equity Incentive Plans by MAA

At the effective time of the parent merger, the Combined Corporation will assume all outstanding options, whether or not exercisable, and restricted share awards subject to their current terms under the Colonial equity incentive plans, as adjusted for the exchange ratio. Each option so assumed by the Combined Corporation will continue to have the same terms and conditions (including vesting schedule) as were applicable under the Colonial equity incentive plans prior to the effective time of the parent merger.

As of the effective time of the parent merger, all Colonial common shares subject to vesting and other restrictions under the Colonial equity incentive plans will convert into the right to receive shares of Combined Corporation common stock that are subject to the same vesting conditions and other terms and conditions as are applicable to such shares of Colonial restricted shares immediately prior to the effective time of the parent merger, as adjusted for the exchange ratio.

Withholding

All payments under the merger agreement are subject to applicable withholding requirements.

Representations and Warranties

The merger agreement contains a number of representations and warranties made by the MAA parties, on the one hand, and the Colonial parties, on the other hand. The representations and warranties were made by the parties as of the date of the merger agreement and do not survive the effective time of the mergers. Certain of these representations and warranties are subject to specified exceptions and qualifications contained in the merger agreement and qualified by information each of MAA and Colonial filed with the SEC prior to the date of the merger agreement and in the disclosure letters delivered in connection with the merger agreement.

Representations and Warranties of the MAA Parties

The merger agreement includes representations and warranties by the MAA parties relating to, among other things:

- organization, valid existence, good standing and qualification to conduct business;
- organizational documents;

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capital structure;

due authorization, execution, delivery and validity of the merger agreement;

absence of any conflict with or violation of organizational documents or applicable laws, and the absence of any violation or breach of, or default or consent requirements under, certain agreements;

permits and compliance with law;

SEC filings and financial statements;

absence of certain changes since March 31, 2013;

absence of undisclosed material liabilities;

absence of existing default or violation under organizational documents or certain other agreements;

litigation;

tax matters, including qualification as a REIT;

employee benefit plans and employees;

labor and employment matters;

accuracy of information supplied for inclusion in the joint consent solicitation/prospectus and registration statement;

intellectual property;

environmental matters;

real property;

material contracts;

insurance;

opinion of financial advisor;

shareholder vote required in order to approve the parent merger, approval of limited partners of MAA LP required in order to approve the partnership merger and the amended and restated MAA LP limited partnership agreement;

broker s, finder s and investment banker s fees;

inapplicability of the Investment Advisers Act of 1940, as amended;

exemption of the mergers from anti-takeover statutes; and

related party transactions.

Representations and Warranties of the Colonial Parties

The merger agreement includes representations and warranties by the Colonial parties relating to, among other things:

organization, valid existence, good standing and qualification to conduct business;

organizational documents;

capital structure;

due authorization, execution, delivery and validity of the merger agreement;

absence of any conflict with or violation of organizational documents or applicable laws, and the absence of any violation or breach of, or default or consent requirements under, certain agreements;

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permits and compliance with law;

SEC filings and financial statements;

absence of certain changes since March 31, 2013;

absence of undisclosed material liabilities;

absence of existing default or violation under organizational documents or certain other agreements;

litigation;

tax matters, including qualification as a REIT;

employee benefit plans and employees;

labor and employment matters;

accuracy of information supplied for inclusion in the joint consent solicitation/prospectus and registration statement;

intellectual property;

environmental matters;

real property;

material contracts;

insurance;

opinion of financial advisor;

shareholder vote required in order to approve the parent merger;

broker s, finder s and investment banker s fees;

inapplicability of the Investment Advisers Act of 1940, as amended;

exemption of the mergers from anti-takeover statutes; and

related party transactions.

Definition of Material Adverse Effect

Many of the representations of the MAA parties and the Colonial parties are qualified by a material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would reasonably be expected to have a material adverse effect). For the purposes of the merger agreement, material adverse effect means any event, circumstance, change or effect (i) that is material and adverse to the business, assets, properties, financial condition or results of operations of MAA and its subsidiaries, taken as a whole, or Colonial and its subsidiaries, taken as a whole, as the case may be, or (ii) that will, or would reasonably be expected to, prevent or materially impair the ability of the MAA parties or the Colonial parties, as the case may be, to consummate the mergers in the manner contemplated by the merger agreement before December 31, 2013. However, for purposes of clause (i) above, any event, circumstance, change or effect will not be considered a material adverse effect to the extent arising out of or resulting from the following:

any failure of MAA or Colonial, as applicable, to meet any internal or external projections or forecasts or any estimates of earnings, revenues, or other metrics for any period (except any event, circumstance, change or effect giving rise to such failure may be taken into account in determining whether there has been a material adverse effect);

any events, circumstances, changes or effects that affect the multifamily residential real estate REIT industry generally;

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any changes in the United States or global economy or capital, financial or securities markets generally, including changes in interest or exchange rates;

any changes in the legal or regulatory conditions;

the commencement, escalation or worsening of a war or armed hostilities or the occurrence of acts of terrorism or sabotage;

the negotiation, execution or announcement of the merger agreement, or the consummation or anticipation of consummation of the mergers or the other transactions contemplated by the merger agreement;

the taking of any action expressly required by, or the failure to take any action expressly prohibited by, the merger agreement, or the taking of any action at the written request or with the prior written consent of an executive officer of the other party;

earthquakes, hurricanes, floods or other natural disasters;

any damage or destruction of any MAA or Colonial property that is substantially covered by insurance; or

changes in law or GAAP;

which, (i) in the case of the second, third, fourth, fifth and tenth bullet points above, such changes do not materially disproportionately affect MAA and its subsidiaries, taken as a whole, or Colonial and its subsidiaries, taken as a whole, as applicable, relative to other similarly situated participants in the multifamily residential real estate REIT industry in the United States and (ii) in the case of the eighth bullet point above, such changes do not materially disproportionately affect MAA and its subsidiaries, taken as a whole, or Colonial and its subsidiaries, taken as a whole, as applicable, relative to other participants in the multifamily residential real estate REIT industry in the geographic regions in which MAA and its subsidiaries, or Colonial and its subsidiaries, as applicable, operate or own or lease properties.

Covenants and Agreements

Conduct of Business of the Colonial Parties Pending the Partnership Merger

The Colonial parties have agreed to certain restrictions on them until the earlier of the effective time of the partnership merger and the valid termination of the merger agreement. In general, except with MAA s prior written approval (not to be unreasonably withheld, delayed or conditioned) or as otherwise expressly required or permitted by the merger agreement or required by law, the Colonial parties have agreed that they will, and will cause each of their subsidiaries to, conduct their business in all material respects in the ordinary course and in a manner consistent with past practice, and use their commercially reasonable efforts to (i) maintain their material assets and properties in their current condition (normal wear and tear excepted), (ii) preserve intact in all material respects their current business organization, goodwill, ongoing businesses and significant relationships with third parties, (iii) keep available the services of their present officers provided it does not require additional compensation, (iv) maintain all material Colonial insurance policies, and (v) maintain the status of Colonial as a REIT. Without limiting the foregoing, the Colonial parties have also agreed that, subject to certain specified exceptions and except with MAA s prior written approval (not to be unreasonably withheld, delayed or conditioned), to the extent required by law, or as otherwise expressly contemplated, required or permitted by the merger agreement, they will not, and they will not cause or permit any of their subsidiaries to:

amend or propose to amend their organizational documents;

split, combine, reclassify or subdivide any shares of stock or other equity securities or ownership interests of Colonial or any of its subsidiaries (other than any wholly owned subsidiary);

declare, set aside or pay any dividends on or make any other distributions with respect to shares of capital stock or other equity securities or ownership interests in Colonial or any of its subsidiaries;

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redeem, repurchase or otherwise acquire, directly or indirectly, any shares of its capital stock or other equity interests of Colonial or any of its subsidiaries;

issue, sell, pledge, dispose, encumber or grant any shares of Colonial s or any of its subsidiaries capital stock, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of Colonial s or any of its subsidiaries capital stock or other equity interests;

grant, confer, award or modify the terms of any option to purchase shares or restricted share award of Colonial common shares;

acquire or agree to acquire (including by merger, consolidation or acquisition of stock or assets) any real property, personal property, corporation, partnership, limited liability company, other business organization or any division or material amount of assets thereof;

sell, mortgage, pledge, lease, assign, transfer, dispose of or encumber, or effect a deed in lieu of foreclosure with respect to, any property or assets;

incur, create, assume, refinance, replace or prepay any indebtedness for borrowed money or issue or amend the terms of any debt securities of Colonial or any of its subsidiaries, or assume, guarantee or endorse, or otherwise become responsible (whether directly, contingently or otherwise) for the indebtedness of any other person;

make any loans, advances or capital contributions to, or investments in, any other person or entity (including to any of its officers, trustees, affiliates, agents or consultants), make any change in its existing borrowing or lending arrangements for or on behalf of such persons or entities, or enter into any keep well or similar agreement to maintain the financial condition of another entity;

enter into, renew, modify, amend or terminate, or waive, release, compromise or assign any rights or claims under, any material contract;

waive, release, assign any material rights or claims or make any payment, direct or indirect, of any liability of Colonial or any Colonial subsidiary before the same comes due in accordance with its terms;

waive, release, assign, settle or compromise any claim, action or proceeding;

hire any officer of Colonial or promote or appoint any person to a position of officer of Colonial;

increase in any manner the amount, rate or terms of compensation or benefits of any of Colonial s trustees or officers;

enter into, adopt, amend or terminate any employment, bonus, severance or retirement contract or other compensation or employee benefits arrangement;

accelerate the vesting or payment of any compensation or benefits;

grant any awards under the Colonial equity incentive plans or any bonus, incentive, performance or other compensation plan or arrangement;

fail to maintain all financial books and records in all material respects in accordance with GAAP (or any interpretation thereof) or make any material change to its methods of accounting in effect at December 31, 2012, or make any change with respect to accounting policies;

enter into any new line of business;

fail to duly and timely file all material reports and other material documents required to be filed with any governmental authority;

enter into, or modify in a manner adverse to Colonial or MAA, any tax protection agreement, make, change or rescind any material election relating to taxes, change a material method of tax accounting, amend any material income tax return, settle or compromise any material federal, state, local or foreign

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tax liability, audit, claim or assessment, enter into any material closing agreement related to taxes, or knowingly surrender any right to claim any material tax refund;

adopt a plan of merger, complete or partial liquidation or resolutions providing for or authorizing such merger, liquidation or a dissolution, consolidation, recapitalization or bankruptcy reorganization;

form any new funds or joint ventures;

make or commit to make any capital expenditures in excess of a specified threshold;

amend or modify the compensation terms or any other obligations of Colonial contained in its engagement letter with its financial advisor in a manner materially adverse to Colonial, any of its subsidiaries or MAA or engage other financial advisors in connection with the transactions contemplated by the merger agreement;

take any action that would reasonably be expected to prevent or delay the consummation of transactions contemplated by the merger agreement; or

authorize, or enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

However, nothing in the merger agreement prohibits Colonial from taking any action that, in the reasonable judgment of the Colonial Board, upon advice of counsel, is necessary for Colonial to avoid or continue to avoid incurring entity-level income or excise taxes under the Code or to maintain its qualification as a REIT under the Code for any period or portion thereof ending on or prior to the partnership merger or to qualify or preserve certain tax status of Colonial subsidiaries, including making dividend or other distribution payments to shareholders of Colonial. In addition, the merger agreement permits Colonial LP to take any action as Colonial LP determines to be necessary to be in compliance with all of its obligations under any tax protection agreement and avoid liability for any indemnification or other payment under any tax protection agreement.

Conduct of Business of the MAA Parties Pending the Partnership Merger

The MAA parties have agreed to certain restrictions on them until the earlier of the effective time of the partnership merger and the valid termination of the merger agreement. In general, except with Colonial s prior written approval (not to be unreasonably withheld, delayed or conditioned) or as otherwise expressly required or permitted by the merger agreement or required by law, the MAA parties have agreed that they will, and will cause each of their subsidiaries to, conduct their business in all material respects in the ordinary course and in a manner consistent with past practice, and use their commercially reasonable efforts to (i) maintain their material assets and properties in their current condition (normal wear and tear excepted), (ii) preserve intact in all material respects their current business organization, goodwill, ongoing businesses and significant relationships with third parties, (iii) keep available the services of their present officers provided it does not require additional compensation, (iv) maintain all material MAA insurance policies and (v) maintain the status of MAA as a REIT. Without limiting the foregoing, the MAA parties have also agreed that, subject to certain specified exceptions and except with Colonial s prior written approval (not to be unreasonably withheld, delayed or conditioned), to the extent required by law, or as otherwise expressly contemplated, required or permitted by the merger agreement, they will not, and they will not cause or permit any of their subsidiaries to:

amend or propose to amend their organizational documents;

split, combine, reclassify or subdivide any shares of stock or other equity securities or ownership interests of MAA or any of its subsidiaries (other than any wholly owned subsidiary);

declare, set aside or pay any dividends on or make any other distributions with respect to shares of capital stock or other equity securities or ownership interests in MAA or any of its subsidiaries;

redeem, repurchase or otherwise acquire, directly or indirectly, any shares of its capital stock or other equity interests of MAA or any of its subsidiaries;

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issue, sell, pledge, dispose, encumber or grant any shares of MAA s or any of its subsidiaries capital stock, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of MAA s or any of its subsidiaries capital stock or other equity interests;

grant, confer, award or modify the terms of any option to purchase shares of MAA common stock;

acquire or agree to acquire (including by merger, consolidation or acquisition of stock or assets) any real property, personal property, corporation, partnership, limited liability company, other business organization or any division or material amount of assets thereof;

sell, mortgage, pledge, lease, assign, transfer, dispose of or encumber, or effect a deed in lieu of foreclosure with respect to, any property or assets;

incur, create, assume, refinance, replace or prepay any indebtedness for borrowed money or issue or amend the terms of any debt securities of MAA or any of its subsidiaries, or assume, guarantee or endorse, or otherwise become responsible (whether directly, contingently or otherwise) for the indebtedness of any other person;

make any loans, advances or capital contributions to, or investments in, any other person or entity (including to any of its officers, directors, affiliates, agents or consultants), make any change in its existing borrowing or lending arrangements for or on behalf of such persons or entities, or enter into any keep well or similar agreement to maintain the financial condition of another entity;

enter into, renew, modify, amend or terminate, or waive, release, compromise or assign any rights or claims under, any material contract;

waive, release, assign any material rights or claims or make any payment, direct or indirect, of any liability of MAA or any MAA subsidiary before the same comes due in accordance with its terms;

waive, release, assign, settle or compromise any claim, action or proceeding;

hire any officer of MAA or promote or appoint any person to a position of officer of MAA;

increase in any manner the amount, rate or terms of compensation or benefits of any of MAA s directors or officers;

enter into, adopt, amend or terminate any employment, bonus, severance or retirement contract or other compensation or employee benefits arrangement;

accelerate the vesting or payment of any compensation or benefits;

grant any awards under the MAA equity incentive plans or any bonus, incentive, performance or other compensation plan or arrangement;

increase the size of the MAA Board beyond seven directors;

fail to maintain all financial books and records in all material respects in accordance with GAAP (or any interpretation thereof) or make any material change to its methods of accounting in effect at December 31, 2012, or make any change with respect to accounting policies;

enter into any new line of business;

fail to duly and timely file all material reports and other material documents required to be filed with any governmental authority;

enter into, or modify in a manner adverse to MAA or Colonial, any tax protection agreement, make, change or rescind any material election relating to taxes, change a material method of tax accounting, amend any material income tax return, settle or compromise any material federal, state, local or foreign tax liability, audit, claim or assessment, enter into any material closing agreement related to taxes, or knowingly surrender any right to claim any material tax refund;

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adopt a plan of merger, complete or partial liquidation or resolutions providing for or authorizing such merger, liquidation or a dissolution, consolidation, recapitalization or bankruptcy reorganization;

form any new funds or joint ventures;

make or commit to make any capital expenditures in excess of a specified threshold;

amend or modify the compensation terms or any other obligations of MAA contained in its engagement letter with its financial advisor in a manner materially adverse to MAA, any of its subsidiaries or Colonial or engage other financial advisors in connection with the transactions contemplated by the merger agreement;

take any action that would reasonably be expected to prevent or delay the consummation of transactions contemplated by the merger agreement; or

authorize, or enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

However, nothing in the merger agreement prohibits MAA from taking any action that, in the reasonable judgment of the MAA Board, upon advice of counsel, is necessary for MAA to avoid or continue to avoid incurring entity-level income or excise taxes under the Code or to maintain its qualification as a REIT under the Code for any period or portion thereof ending on or prior to the partnership merger or to qualify or preserve certain tax status of Colonial subsidiaries, including making dividend or other distribution payments to shareholders of MAA. In addition, the merger agreement permits MAA LP to take any action as MAA LP determines to be necessary to be in compliance with all of its obligations under any tax protection agreement and avoid liability for any indemnification or other payment under any tax protection agreement.

No Solicitation of Transactions

Each of MAA and Colonial will not, nor will it permit any of its subsidiaries to, authorize or permit any of its officers, trustees, directors or employees to, and will use its reasonable best efforts to cause its and its subsidiaries representatives not to, directly or indirectly, (i) initiate, solicit or knowingly encourage or knowingly facilitate any inquiries or the making of any proposal or offer by or with a third party with respect to an Acquisition Proposal (as defined below), (ii) engage in any negotiations concerning, or provide any confidential information or data to any person relating to an Acquisition Proposal, or knowingly facilitate any effort or attempt to make or implement an Acquisition Proposal, (iii) approve or execute or enter into any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to any Acquisition Proposal, or (iv) propose publicly or agree to do any of the foregoing.

For the purposes of the merger agreement, Acquisition Proposal means any proposal, offer or transaction (other than a proposal or offer made by MAA or Colonial or their affiliates) for (i) any merger, consolidation, share exchange, business combination or similar transaction involving it or any of its subsidiaries, (ii) any sale, lease, exchange, mortgage, pledge, license, transfer or other disposition, directly or indirectly, by merger, consolidation, sale of equity interests, share exchange, joint venture, business combination or otherwise, of any of its assets or that of its subsidiaries (including stock or other ownership interests of its subsidiaries) representing twenty percent (20%) or more of consolidated assets, as determined on a book-value basis, (iii) any issue, sale or other disposition of (including by way of merger, consolidation, joint venture, business combination, share exchange or any similar transaction) securities (or options, rights or warrants to purchase, or securities convertible into, such securities) representing twenty percent (20%) or more of its voting power, (iv) any tender offer or exchange offer in which any person or group (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) shall seek to acquire beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), or the right to acquire beneficial ownership, of twenty percent (20%) or more of the outstanding shares of any class of its voting securities, or (v) any recapitalization, restructuring, liquidation, dissolution or other similar type of transaction in which a third party shall acquire beneficial ownership of twenty percent (20%) or more of the outstanding shares of any class of its voting securities.

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Notwithstanding the restrictions set forth above, the merger agreement provides that, at any time prior to the approval of the parent merger at their respective shareholder meetings, each of the Colonial Board and the MAA Board is permitted, subject to first entering into a confidentiality agreement having provisions that are no less favorable to those contained in the confidentiality agreement between MAA and Colonial, to engage in discussions and negotiations with, or provide any nonpublic information or data to, any person in response to an unsolicited bona fide written Acquisition Proposal by such person made after June 3, 2013 that did not result from a breach of the no solicitation provisions of the merger agreement and which the MAA Board or the Colonial Board, as applicable, concludes in good faith (after consultation with outside legal counsel and financial advisors) constitutes or is reasonably likely to lead to a Superior Proposal (as defined below), if and only to the extent that the MAA Board or the Colonial Board, as applicable, conclude in good faith (after consultation with outside legal counsel) that failure to do so would be inconsistent with their duties under applicable law. Colonial and MAA, as applicable, will provide the other party with a copy of any nonpublic information or data provided to a third party prior to or simultaneously with furnishing such information to such third party.

Each party must notify the other party promptly (but in no event later than one business day) after receipt of any Acquisition Proposal, or any request for nonpublic information relating to such party or any of its subsidiaries by any person that informs such party or any of its subsidiaries that it is considering making, or has made, an Acquisition Proposal, or any inquiry from any person seeking to have discussions or negotiations with such party relating to a possible Acquisition Proposal. The notice will be made orally and confirmed in writing, and will indicate the identity of the person making the Acquisition Proposal, inquiry or request and the material terms and conditions of any inquiries, proposals or offers (including a copy thereof if in writing and any related documentation or correspondence). Each party will also promptly, and in any event within one business day, notify the other party, orally and in writing, if it enters into discussions or negotiations concerning any Acquisition Proposal or provides nonpublic information or data to any person and keep the other party informed in all material respects of the status and terms of any such proposals, offers, discussions or negotiations on a current basis, including by providing a copy of all material documentation or correspondence relating thereto.

Except as described below, neither the MAA Board, the Colonial Board, nor any committee thereof, will withhold, withdraw or modify in any manner adverse to the other party, or propose publicly to withhold, withdraw or modify in any manner adverse to the other party, the approval, recommendation or declaration of advisability by the MAA Board or the Colonial Board, as applicable, or any such committee thereof with respect to the merger agreement or the transactions contemplated thereby, which is referred to herein as a Change in Recommendation.

Notwithstanding the foregoing, with respect to an Acquisition Proposal, the MAA Board or the Colonial Board, as applicable, may make a Change in Recommendation (and in the event that the MAA Board or the Colonial Board, as applicable, determines the Acquisition Proposal to be a Superior Proposal, terminate the merger agreement), if and only if (i) an unsolicited bona fide written Acquisition Proposal (that did not result from a breach of the no solicitation provisions of the merger agreement) is made to MAA or Colonial, as applicable, and is not withdrawn, (ii) the MAA Board or the Colonial Board, as applicable, has concluded in good faith (after consultation with outside legal counsel and financial advisors) that such Acquisition Proposal constitutes a Superior Proposal, (iii) the directors of MAA and the trustees of Colonial, as applicable, have concluded in good faith (after consultation with outside legal counsel) that failure to do so would be inconsistent with their duties under applicable law, (iv) four business days, which is referred to herein as the notice period, has elapsed since the party proposing to take such action has given written notice to the other party advising the other party that it intends to take such action and specifying in reasonable detail the reasons therefor, including the terms and conditions of any such Superior Proposal that is the basis of the proposed action, which is referred to as the notice of recommendation change, (v) during such notice period, the notifying party has considered and, at the reasonable request of the other party, engaged in good faith discussions with the other party regarding, any adjustment or modification of the terms of the merger agreement proposed by the other party, and (vi) the directors or trustees of the party proposing to take such action, following such notice period, again reasonably determine in good faith (after consultation with outside legal counsel, and taking into account any adjustment or

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modification of the terms of the merger agreement proposed by the other party) that failure to do so would be inconsistent with their duties under applicable law. Upon any material amendment to the Superior Proposal giving rise to the notice, the notifying party is required to deliver a new notice and commence a new negotiation period of four business days.

For the purposes of the merger agreement, in circumstances not involving or relating to an Acquisition Proposal, the MAA Board or the Colonial Board, as applicable, may make a Change in Recommendation if and only if (i) a material development or change in circumstances has occurred or arisen after June 3, 2013 that was neither known to such party nor reasonably foreseeable as of June 3, 2013 (and which change or development does not relate to an Acquisition Proposal), (ii) the directors or trustees of the party proposing to take such action have first reasonably determined in good faith (after consultation with outside legal counsel) that failure to do so would be inconsistent with their duties under applicable law, (iii) four business days, which is referred to herein as the intervening event notice period, will have elapsed since the party proposing to take such action has given a notice of recommendation change to the other party advising that the notifying party intends to take such action and specifying in reasonable detail the reasons therefor, (iv) during the four business day period, the notifying party has considered and, at the reasonable request of the other party, engaged in good faith discussions with the other party regarding, any adjustment or modification of the terms of the merger agreement proposed by the other party, and (v) the directors or trustees, as applicable, of the party proposing to take such action, following such intervening event notice period, again reasonably determine in good faith (after consultation with outside legal counsel, and taking into account any adjustment or modification of the terms of the merger agreement proposed by the other party) that failure to do so would be inconsistent with their duties under applicable law. In the event the MAA Board or the Colonial Board, as applicable, does not make a Change in Recommendation following such four business day period, but thereafter determines to make a Change in Recommendation in circumstances not involving an Acquisition Proposal, the foregoing procedures shall apply anew and shall also apply to any subsequent withdrawal, amendment or change.

For purposes of the merger agreement and with respect to an Acquisition Proposal, Superior Proposal means a written bona fide Acquisition Proposal (except that, for purposes of this definition, the references in the definition of Acquisition Proposal to twenty percent (20%) shall be replaced by fifty percent (50%)) made by a third party on terms that the MAA Board or the Colonial Board, as applicable, determines in its good faith judgment, after consultation with outside legal counsel and financial advisors, taking into account all financial, legal, regulatory and any other aspects of the transaction described in such proposal and such other relevant factors (including, without limitation, the identity of the person making such proposal, any break-up fees, expense reimbursement provisions, conditions to consummation and feasibility and certainty of consummation (including whether consummation is reasonably capable of being completed on a timely basis on the terms proposed), as well as any changes to the financial terms of the merger agreement proposed by the other party in response to such proposal or otherwise), would, if consummated, be more favorable to MAA and its shareholders or Colonial and its shareholders, as applicable, from a financial point of view than the transactions contemplated by the merger agreement.

The merger agreement requires each of MAA and Colonial to, and to cause their respective subsidiaries to, immediately terminate any and all existing activities, discussions or negotiations with any third parties conducted prior to June 3, 2013 with respect to any Acquisition Proposal, and to agree that it will not release any third party from, or waive any provisions of, any confidentiality or standstill agreement to which it or any of its subsidiaries is a party with respect to any Acquisition Proposal. Each of MAA and Colonial further agrees that it will use its reasonable best efforts to promptly inform its and its subsidiaries respective representatives of these obligations.

Unless the merger agreement is terminated with respect to a Superior Proposal, notwithstanding a Change in Recommendation, each of Colonial and MAA has agreed to submit the adoption of the merger agreement to a vote of its respective shareholders. In addition, MAA and Colonial have agreed not to submit any Acquisition Proposal other than the mergers to a vote of its respective shareholders prior to the termination of the merger agreement.

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Form S-4, Joint Proxy Statement/Prospectus; Shareholders Meetings

The merger agreement provides that MAA and Colonial will prepare and cause to be filed with the SEC a joint proxy statement for the parent merger and MAA agreed to prepare and file a registration statement on Form S-4 with respect to the parent merger, in each case as promptly as reasonably practicable following the date of the merger agreement. MAA and Colonial also will use their reasonable best efforts to (i) have the Form S-4 declared effective under the Securities Act as promptly as practicable after filing, (ii) ensure that the Form S-4 complies in all material respects with the applicable provisions of the Exchange Act or Securities Act, and (iii) to keep the Form S-4 effective for so long as necessary to complete the mergers.

Each of MAA and Colonial will use its reasonable best efforts to cause the joint proxy statement to be mailed to their shareholders entitled to vote at their respective shareholder meetings and to hold their respective shareholder meetings as soon as practicable after the Form S-4 is declared effective. Each of MAA and Colonial also will include in the joint proxy statement/prospectus its recommendation to its shareholders that they approve the parent merger and the other transactions contemplated by the merger agreement and to use its reasonable best efforts to obtain its shareholder approval.

Efforts to Complete Transactions; Consents

Both MAA and Colonial will use their reasonable best efforts to take all actions and do all things necessary, proper or advisable under applicable laws or pursuant to any contract or agreement to consummate and make effective, as promptly as practicable, the mergers, including obtaining all necessary actions or nonactions, waivers, consents and approvals from governmental authorities or other persons or entities in connection with the mergers and the other transactions contemplated by the merger agreement and defending any lawsuits or other legal proceedings challenging the merger agreement or the mergers or other transactions contemplated by the merger agreement.

MAA and Colonial will provide any necessary notices to third parties and to use their reasonable best efforts to obtain any third-party consents that are necessary, proper or advisable to consummate the mergers.

Access to Information; Confidentiality

The merger agreement requires both MAA and Colonial to provide to the other, upon reasonable advance notice and during normal business hours, reasonable access to its properties, offices, books, contracts, commitments, personnel and records, and each of MAA and Colonial are required to furnish reasonably promptly to the other a copy of each report, schedule, registration statement and other document filed prior to closing pursuant to federal or state securities laws and all other information concerning its business, properties and personnel as the other party may reasonably request.

Each of MAA and Colonial will hold, and to cause its representatives and affiliates to hold, any non-public information in confidence to the extent required by the terms of its existing confidentiality agreements.

Each of MAA and Colonial will give prompt written notice to the other upon becoming aware of the occurrence or impending occurrence of any event or circumstance relating to it or to any of its subsidiaries which could reasonably be expected to have, individually or in the aggregate, a material adverse effect.

Notification of Certain Matters; Transaction Litigation

MAA and Colonial will provide prompt notice to the other of any notice received from any governmental authority in connection with the merger agreement or the transactions contemplated by the merger agreement, including the mergers, or from any person or entity alleging that its consent is or may be required in connection with any such transaction.

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Each of MAA and Colonial will provide prompt notice to the other if any representation or warranty made by it in the merger agreement becomes untrue or inaccurate such that the applicable closing conditions would reasonably be expected to be incapable of being satisfied by December 31, 2013, or if it fails to comply with or satisfy in any material respect any covenant, condition or agreement contained in the merger agreement.

Each of MAA and Colonial will provide prompt notice to the other of any actions, suits, claims, investigations or proceedings commenced or threatened against, relating to or involving such party or any of its subsidiaries in connection with the merger agreement, the mergers or the other transactions contemplated by the merger agreement. Each will allow the other the opportunity to reasonably participate in the defense and settlement of any shareholder litigation and not to agree to a settlement of any shareholder litigation without the other s consent (not to be unreasonably withheld, conditioned or delayed).

Indemnification of Directors and Officers; Insurance

From and after the effective time of the parent merger, pursuant to the terms of the merger agreement and subject to certain limitations, the Combined Corporation and MAA LP will jointly and severally indemnify and hold harmless, among others, any manager, director, officer, trustee or fiduciary of Colonial and its subsidiaries, against all losses, claims, damages, liabilities and costs pertaining to matters existing or occurring, or acts or omissions occurring at or prior to the effective time of the parent merger, including with respect to the transactions contemplated by the merger agreement to the fullest extent permitted under applicable law.

Prior to the effective time of the partnership merger, Colonial will purchase, and MAA will maintain, a tail prepaid insurance policy or policies with a claim period for six years from the effective time of the partnership merger for Colonial s and its subsidiaries current and former trustees, directors, officers, agents and fiduciaries for facts or events that occurred at or prior to the effective time of the partnership merger with terms, conditions, coverage and amounts no less favorable than those of Colonial s existing directors and officers liability insurance and fiduciary insurance.

If Colonial is unable to obtain a tail policy as of the effective time of the partnership merger, MAA must, at Colonial s request, purchase and maintain in full force and effect, during the six year period following the effective time of the partnership merger, a tail insurance policy from one or more insurance carriers believed to be sound and reputable with respect to directors and officers liability insurance and fiduciary liability insurance, with terms, conditions, coverage and amounts no less favorable than those of Colonial s existing directors and officers liability insurance and fiduciary insurance.

Notwithstanding the foregoing, (i) neither Colonial, MAA nor the Combined Corporation will be required to pay annual premiums in excess of 300% of the current annual premium paid by Colonial for such insurance, and (ii) if the annual premiums exceed 300%, Colonial, MAA or the Combined Corporation will be permitted to obtain as much similar insurance as is possible for an annual premium equal to 300% of the current annual premium.

Public Announcements

Each of MAA and Colonial will, subject to certain exceptions, to consult with each other before issuing any press release or otherwise making any public statements or filings with respect to the merger agreement or any of the transactions contemplated by the merger agreement. In addition, each of MAA and Colonial will, subject to certain exceptions, not to issue any press release or otherwise make a public statement without obtaining the other s consent (not to be unreasonably withheld).

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Other Covenants and Agreements

The merger agreement contains certain other covenants and agreements, including covenants related to:

each of Colonial and MAA using its respective commercially reasonable efforts (before and, as relevant, after the effective time of the parent merger) to cause the parent merger to qualify as a reorganization under the Code;

each of Colonial and MAA taking all steps to ensure that any disposition of Colonial common shares and any acquisition of shares of MAA common stock in connection with the parent merger and the other transactions contemplated by the merger agreement by certain individuals are exempted pursuant to Rule 16b-3 promulgated under the Exchange Act from giving rise to any liability under Section 16 of the Exchange Act;

Colonial and its subsidiaries voting all shares of MAA common stock they beneficially own as of the record date of the MAA special meeting, if any, in favor of approval of the parent merger and issuance of shares of MAA common stock to be issued in the parent merger, and MAA and its subsidiaries voting all Colonial common shares they beneficially own as of the record date of the Colonial special meeting, if any, in favor of the approval of the parent merger;

MAA voting all limited partnership units in MAA LP beneficially owned by MAA and its subsidiaries, if any, in favor of the matters submitted to the limited partners of MAA LP for approval;

the MAA Board adopting resolutions and taking all other action necessary so that, immediately following the effective time of the partnership merger, the board of directors of the Combined Corporation is comprised of twelve directors, with the current chairman of the MAA Board remaining chairman of the Combined Corporation s board of directors after the effective time of the partnership merger;

the Colonial Board adopting such resolutions or taking such other actions as may be required to terminate Colonial s equity incentive plans, terminate Colonial s Dividend Reinvestment Plan and suspend Colonial s Employee Share Purchase Plan;

if requested by MAA, Colonial terminating each employee benefit plan of Colonial intended to be qualified within the meaning of Section 401(a) of the Code as of the day prior to the closing date;

MAA and its subsidiaries, during the period commencing on the closing and ending twelve months thereafter, providing each employee of Colonial and Colonial LP who remains employed by Colonial, any Colonial subsidiary, MAA or any MAA subsidiary immediately following the closing with (i) an aggregate annual base salary and target bonus opportunity (excluding equity-based compensation) at least equal to that provided by Colonial and its subsidiaries immediately prior to closing, (ii) severance payments and benefits no less favorable than those provided by Colonial and its subsidiaries immediately prior to closing, and (iii) all other compensation and benefits that are, in the aggregate, no less favorable than those provided to similarly situated employees of MAA and its subsidiaries, as applicable, immediately following the closing;

MAA transferring, or causing the transfer of, certain real property assets to MAA LP or its subsidiaries so that following such transfer, MAA will not directly own any assets other than partnership interests of MAA LP or as permitted under the amended and restated agreement of limited partnership of MAA LP; and

Colonial and Colonial LP assigning, and MAA and MAA LP assuming, certain registration rights agreements.

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Conditions to Completion of the Mergers

Mutual Closing Conditions

The obligation of each of the MAA parties and the Colonial parties to complete the mergers is subject to the satisfaction or, to the extent permitted by law, waiver, at or prior to the effective time of the partnership merger, of the following conditions:

- approval of the merger agreement, the parent merger and the other transactions contemplated by the merger agreement by MAA shareholders and Colonial shareholders;
- approval of the partnership merger and the amendment and restatement of the MAA LP limited partnership agreement by the holders of at least 66 $^{2}/_{3}$rds of the outstanding limited partnership interests of MAA LP, excluding for purposes of the approval all limited partnership interests held by MAA;
- a Form S-4 with respect to the parent merger having been declared effective and no stop order suspending the effectiveness of such Form S-4 having been issued and no proceeding to that effect shall have been commenced or threatened by the SEC and not withdrawn;
- the absence of any order or injunction issued by any governmental authority or other legal restraint or prohibition preventing the consummation of the mergers or the other transactions contemplated by the merger agreement;
- the shares of MAA common stock to be issued in connection with the parent merger having been approved for listing on the NYSE, subject to official notice of issuance at or prior to the closing of the mergers; and
- certain third party consents and approvals (described above under Covenants and Agreements Efforts to Complete Transactions; Consents) having been obtained and remaining in full force and effect, except where the failure to obtain the consent or approval would not be reasonably likely to have a material adverse effect on Colonial or MAA.

As of the date of this joint consent solicitation/prospectus , all of the third party consents and approvals required as a condition to the obligation of the parties to complete the mergers as described in the final bullet point above had been obtained and not rescinded.

Additional Closing Conditions for the Benefit of the Colonial Parties

The obligations of the Colonial parties to effect the mergers and to consummate the other transactions contemplated by the merger agreement are subject to the satisfaction or, to the extent permitted by law, waiver, at or prior to the partnership merger effective time, of the following additional conditions:

- the accuracy in all material respects as of the date of the merger agreement and as of the effective time of the partnership merger (or, in the case of representations and warranties that by their terms address matters only as of another specified date, as of that date) of certain representations and warranties made in the merger agreement by the MAA parties regarding certain aspects of their capital structure, authority relative to the merger agreement and the required shareholder and unitholder votes to approve the mergers and the other transactions contemplated by the merger agreement;

the accuracy in all but *de minimis* respects as of the date of the merger agreement and as of the effective time of the partnership merger (or, in the case of representations and warranties that by their terms address matters only as of another specified date, as of that date) of certain representations and warranties made in the merger agreement by the MAA parties regarding certain aspects of their capital structure;

the accuracy of all other representations and warranties made in the merger agreement by the MAA parties (disregarding any materiality or material adverse effect qualifications contained in such

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representations and warranties) as of the date of the merger agreement and as of the effective time of the partnership merger (or, in the case of representations and warranties that by their terms address matters only as of another specified date, as of that date), except for any such inaccuracies that do not have and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on MAA;

each of the MAA parties having performed in all material respects all obligations, and complied in all material respects with the agreements and covenants, required to be performed by it under the merger agreement on or prior to the effective time of the partnership merger;

no material adverse effect with respect to MAA has occurred, individually or in the aggregate, since June 3, 2013;

receipt by Colonial of an officer s certificate dated as of the closing date and signed by MAA s chief executive officer or chief financial officer on behalf of the MAA parties, certifying that the closing conditions described in the five preceding bullets have been satisfied;

receipt by Colonial of an opinion dated as of the closing date from Baker, Donelson, Bearman, Caldwell & Berkowitz, PC or other counsel reasonably satisfactory to Colonial, to the effect that for all taxable periods commencing with its taxable year ended December 31, 2004, MAA has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and that its past, current and intended future organization and operations will permit the Combined Corporation to continue to qualify for taxation as a REIT under the Code for its taxable year which includes the effective time of the parent merger and thereafter;

receipt by Colonial of an opinion dated as of the closing date from Hogan Lovells US LLP or other counsel reasonably satisfactory to Colonial regarding the parent merger s qualification as a reorganization within the meaning of Section 368(a) of the Code; and

the transfer of certain assets held directly by MAA to MAA LP will have occurred.

Additional Closing Conditions for the Benefit of the MAA Parties

The obligations of the MAA parties to effect the mergers and to consummate the other transactions contemplated by the merger agreement are subject to the satisfaction or, to the extent permitted by law, waiver, at or prior to the effective time of the partnership merger, of the following additional conditions:

the accuracy in all material respects as of the date of the merger agreement and as of the effective time of the partnership merger (or, in the case of representations and warranties that by their terms address matters only as of another specified date, as of that date) of certain representations and warranties made in the merger agreement by the Colonial parties regarding certain aspects of their capital structure, authority relative to the merger agreement and the required shareholder vote to approve the parent merger and the other transactions contemplated by the merger agreement;

the accuracy in all but *de minimis* respects as of the date of the merger agreement and as of the effective time of the partnership merger (or, in the case of representations and warranties that by their terms address matters only as of another specified date, as of that date) of certain representations and warranties made in the merger agreement by the Colonial parties regarding certain aspects of their capital structure;

the accuracy of all other representations and warranties made in the merger agreement by the Colonial parties (disregarding any materiality or material adverse effect qualifications contained in such representations and warranties) as of the date of the merger agreement and as of the effective time of the partnership merger (or, in the case of representations and warranties that by their terms address matters only as of another specified date, as of that date), except for any such inaccuracies that do not have and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Colonial;

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each of the Colonial parties having performed in all material respects all obligations, and complied in all material respects with the agreements and covenants, required to be performed by it under the merger agreement on or prior to the effective time of the partnership merger;

no material adverse effect with respect to Colonial has occurred, individually or in the aggregate, since June 3, 2013;

receipt by MAA of an officer s certificate dated as of the closing date and signed by Colonial s chief executive officer or chief financial officer on behalf of the Colonial parties, certifying that the closing conditions described in the five preceding bullets have been satisfied;

receipt by MAA of an opinion dated as of the closing date from Hogan Lovells US LLP, or other counsel reasonably acceptable to MAA, to the effect that for all taxable periods commencing with its taxable year ended December 31, 2004 and ending with its taxable year that ends with the parent merger, Colonial has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code;

receipt by MAA of an opinion dated as of the closing date from Goodwin Procter LLP or other counsel reasonably satisfactory to MAA regarding the parent merger s qualification as a reorganization within the meaning of Section 368(a) of the Code; and

no more than 15% of the outstanding Colonial common shares as of the closing date are held by Colonial shareholders that have properly perfected their right to dissent and demand cash payment for their shares.

Termination of the Merger Agreement

Termination by Mutual Agreement

The merger agreement may be terminated at any time before the effective time of the partnership merger by the mutual consent of MAA and Colonial in a written instrument, which action must be taken or authorized by the MAA Board and the Colonial Board.

Termination by Either Colonial or MAA

The merger agreement may also be terminated prior to the effective time of the partnership merger by either Colonial or MAA if:

a governmental authority of competent jurisdiction has issued an order, decree or ruling or taken any other action permanently enjoining or otherwise prohibiting the mergers, and such action has become final and nonappealable (provided that this termination right will not be available to a party whose failure to comply with any provision of the merger agreement was the cause of, or resulted in, such action);

the mergers have not been consummated on or before 5:00 p.m. (New York time) on December 31, 2013 (provided that this termination right will not be available to a party whose failure to comply with any provision of the merger agreement has been the cause of, or resulted in, the failure of the mergers to occur on or before such date);

there has been a breach by the other party of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of such other party, which breach, either individually or in the aggregate, would result in, if occurring or continuing on the closing date, the failure to be satisfied of certain closing conditions, unless such breach is reasonably capable of being cured, and the other party continues to use its reasonable best efforts to cure such breach prior to December 31, 2013 (provided that this termination right will not be available to a party that is in breach of any of its own respective

representations, warranties, covenants or agreements set forth in the merger agreement such that certain closing conditions are not satisfied);

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shareholders of either MAA or Colonial failed to approve the parent merger and the other transactions contemplated by the merger agreement at duly convened special meetings (provided that this termination right will not be available to a party if the failure to obtain that party s shareholder approval was primarily due to the party s material breach of certain provisions of the merger agreement); or

holders of at least 66 $^{2}/_{3}$rds of the outstanding limited partnership interests of MAA LP, excluding for purposes of the approval all limited partnership interests held by MAA, failed to approve the partnership merger, the other transactions contemplated by the merger agreement and the amendment and restatement of the MAA LP limited partnership agreement prior to, or contemporaneously with, the MAA special meeting (provided that this termination right will not be available to MAA where a failure to obtain the approval of holders of limited partnership units in MAA LP was primarily caused by any action or failure to act of an MAA party that constitutes a material breach of the merger agreement).

Termination by Colonial

The merger agreement may also be terminated prior to the effective time of the partnership merger by Colonial by written notice to MAA:

at any time prior to the approval of the parent merger and the other transactions contemplated by the merger agreement by the Colonial shareholders, in order to enter into any alternative acquisition agreement with respect to a Superior Proposal; provided, that such termination will be null and void unless Colonial concurrently pays the termination fee plus the expense reimbursement described below under Termination Fee and Expenses Payable by Colonial to MAA; or

if (i) the MAA Board has made an MAA board change in recommendation and Colonial terminates the merger agreement within 10 business days of the date Colonial receives notice of the change, or (ii) an MAA party has materially breached any of its obligations under the provisions of the merger agreement regarding no solicitation of transactions by the MAA parties (other than any immaterial or inadvertent breach thereof not intended to result in an acquisition proposal).

Termination by MAA

The merger agreement may also be terminated prior to the effective time of the partnership merger by MAA by written notice to Colonial:

at any time prior to the approval of the parent merger and the other transactions contemplated by the merger agreement by the MAA shareholders, in order to enter into any alternative acquisition agreement with respect to a Superior Proposal; provided, that such termination will be null and void unless MAA concurrently pays the termination fee plus the expense reimbursement described below under Termination Fee and Expenses Payable by MAA to Colonial ; or

if (i) the Colonial Board has made a Colonial board change in recommendation and MAA terminates the merger agreement within 10 business days of the date MAA receives notice of the change, or (ii) a Colonial party has materially breached any of its obligations under the provisions of the merger agreement regarding no solicitation of transactions by the Colonial parties (other than any immaterial or inadvertent breach thereof not intended to result in an Acquisition Proposal).

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Termination Fee and Expenses Payable by Colonial to MAA

Colonial has agreed to pay a termination fee of $75 million plus documented reasonable and necessary out-of-pocket expense actually incurred up to a maximum of $10 million if:

all of the following events have occurred:

Colonial receives an Acquisition Proposal with respect to Colonial (provided that the references to 20% in the definition of Acquisition Proposal will be replaced with 50% for purposes of determining whether a termination fee is due and payable) that has been publicly announced prior to the date of the Colonial special meeting or the termination of the merger agreement, as applicable;

the merger agreement is terminated (i) by either MAA or Colonial because (a) the mergers have not occurred by December 31, 2013 or (b) either the MAA shareholders or the Colonial shareholders fail to approve the parent merger and the other transactions contemplated by the merger agreement at duly convened meetings, or (ii) by MAA upon a material uncured breach by a Colonial party of its representations, warranties, covenants or agreements set forth in the merger agreement; and

within 12 months after such termination, Colonial consummates a transaction regarding, or enters into a definitive agreement which is later consummated with respect to, an Acquisition Proposal; or

the merger agreement is terminated by Colonial at any time prior to the approval of the parent merger and the other transactions contemplated by the merger agreement by the Colonial shareholders in order to enter into any alternative acquisition agreement with respect to a Superior Proposal; or

the merger agreement is terminated by MAA because (i) the Colonial Board has made a Colonial board change in recommendation, or (ii) a Colonial party has materially breached any of its obligations under the provisions of the merger agreement regarding no solicitation of transactions by the Colonial parties (other than any immaterial or inadvertent breach thereof not intended to result in an Acquisition Proposal).

Colonial has agreed to pay documented reasonable and necessary out-of-pocket expenses actually incurred up to a maximum of $10 million if the merger agreement is terminated (i) by either Colonial or MAA because the Colonial shareholders fail to approve the parent merger and the other transactions contemplated by the merger agreement at a duly convened meeting, or (ii) by MAA upon a material uncured breach by a Colonial party of its representations, warranties, covenants or agreements set forth in the merger agreement.

Termination Fee and Expenses Payable by MAA to Colonial

MAA has agreed to pay a termination fee of $75 million plus documented reasonable and necessary out-of-pocket expense actually incurred up to a maximum of $10 million if:

all of the following events have occurred:

MAA receives an Acquisition Proposal with respect to MAA (provided that the references to 20% in the definition of Acquisition Proposal will be replaced with 50% for purposes of determining whether a termination fee is due and payable) after the date of the merger agreement that has been publicly announced prior to the date of the MAA special meeting or the termination of the merger agreement, as applicable;

the merger agreement is terminated (i) by either MAA or Colonial because (a) the mergers have not occurred by December 31, 2013, (b) either the MAA shareholders or the Colonial shareholders fail to approve the parent merger and the other transactions contemplated by the merger agreement at duly convened meetings, or (c) the holders of limited partnership units in MAA LP fail to

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approve the partnership merger and the other transactions contemplated by the partnership merger and the amendment and restatement of the MAA LP limited partnership agreement prior to, or contemporaneously with, the MAA special meeting, or (ii) by Colonial upon a material uncured breach by an MAA party of its representations, warranties, covenants or agreements set forth in the merger agreement; and

within 12 months after such termination, MAA consummates a transaction regarding, or enters into a definitive agreement which is later consummated with respect to, an Acquisition Proposal; or

the merger agreement is terminated by MAA at any time prior to the approval of the parent merger and the other transactions contemplated by the merger agreement by the MAA shareholders in order to enter into any alternative acquisition agreement with respect to a Superior Proposal; or

the merger agreement is terminated by Colonial because (i) the MAA Board has made an MAA board change in recommendation, or (ii) an MAA party has materially breached any of its obligations under the provisions of the merger agreement regarding no solicitation of transactions by the MAA parties (other than any immaterial or inadvertent breach thereof not intended to result in an Acquisition Proposal).

MAA has agreed to pay documented reasonable and necessary out-of-pocket expenses actually incurred up to a maximum of $10 million if the merger agreement is terminated (i) by either Colonial or MAA because the MAA shareholders fail to approve the parent merger and the other transactions contemplated by the merger agreement at a duly convened meeting, (ii) by either Colonial or MAA because the holders of limited partnership units in MAA LP fail to approve the partnership merger and the other transactions contemplated by the merger agreement prior and the amendment and restatement of the MAA LP limited partnership agreement to, or contemporaneously with, the MAA special meeting, or (iii) by Colonial upon a material uncured breach by an MAA party of its representations, warranties, covenants or agreements set forth in the merger agreement.

Miscellaneous Provisions

Payment of Expenses

Other than as described above under Termination of the Merger Agreement Termination Fee and Expenses Payable by Colonial to MAA and Termination of the Merger Agreement Termination Fee and Expenses Payable by MAA to Colonial, the merger agreement provides that each party will pay its own fees and expenses in connection with the merger agreement.

Specific Performance

The parties to the merger agreement are entitled to injunctions, specific performance and other equitable relief to prevent breaches of the merger agreement and to enforce specifically the terms and provisions of the merger agreement in addition to any and all other remedies at law or in equity.

Amendment

The parties to the merger agreement may amend the merger agreement by an instrument in writing signed by each of the parties, which action must be taken or authorized by the respective boards of MAA and Colonial, provided that, after approval of the parent merger and the other transactions contemplated by the merger agreement by MAA s shareholders, the approval of the parent merger and the other transactions contemplated by the merger agreement by Colonial s shareholders or the approval of the partnership merger and the other transactions contemplated by the merger agreement by the holders of limited partnership units in MAA LP, no amendment may be made which by law requires further approval by such shareholders or unitholders, as applicable, without such further approval.

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Waiver

Prior to the effective time of the partnership merger, MAA or Colonial, by action taken or authorized by their respective boards, may extend the time for performance of any obligations of the other or waive any inaccuracies in the representations and warranties of the other or the other party s compliance with any agreements or conditions contained in the merger agreement.

Governing Law

The merger agreement is governed by the laws of the State of Delaware, without regard to any provisions relating to choice of laws among different jurisdictions, except that (i) the laws of the State of Alabama will apply to the parent merger and to the discharge of fiduciary duties of the Colonial Board or any committee thereof in connection with the merger agreement, and (ii) the laws of the State of Tennessee will apply to the parent merger and the partnership merger and to the discharge of the fiduciary duties of the MAA Board or any committee thereof in connection with the merger agreement.

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VOTING AGREEMENTS

The following is a summary of selected material provisions of the Voting Agreements and is qualified in its entirety by reference to the full text of the Forms of Voting Agreement. This summary does not purport to be complete and may not contain all of the information about the Voting Agreements that may be important to you. You are encouraged to read each of the Forms of Voting Agreement carefully and their entirety. A copy of the Form of Voting Agreement entered into with certain trustees of Colonial is attached as Annex C to this joint consent solicitation/prospectus and incorporated herein by reference. A copy of the Form of Voting Agreement entered into with certain directors and shareholders of MAA is attached as Annex D to this joint consent solicitation/prospectus and incorporated herein by reference.

Concurrently with the execution of the merger agreement, Colonial and Colonial LP entered into separate Voting Agreements with H. Eric Bolton, Jr., MAA s Chairman and Chief Executive Officer, W. Reid Sanders, a member of the MAA Board, and another shareholder of MAA who is not a director or officer of MAA, and MAA and MAA LP entered into separate Voting Agreements with Thomas H. Lowder, James K. Lowder and Harold W. Ripps, each members of the Colonial Board. As of August 20, 2013, the MAA directors and shareholders that are a party to a Voting Agreement with Colonial and Colonial LP collectively owned approximately 0.36% of the outstanding shares of MAA common stock and approximately 37.37% of the outstanding MAA LP units, and the Colonial trustees that are a party to a Voting Agreement with MAA and MAA LP collectively owned approximately 3.9% of the outstanding Colonial common shares and approximately 3.5% of the outstanding Colonial LP units, including Colonial LP units held by Colonial.

Voting Provisions

MAA

Pursuant to the terms of the separate Voting Agreements entered into by H. Eric Bolton, Jr., W. Reid Sanders and another shareholder of MAA, subject to the terms and conditions contained in each Voting Agreement, each of Messrs. Bolton and Sanders and the other shareholder of MAA has separately agreed to vote all of his shares of MAA common stock and MAA LP units, as applicable, whether currently owned or acquired at any time prior to the termination of the applicable Voting Agreement, in the following manners:

- in favor of the parent merger;
- in favor of the issuance of MAA common stock to be issued in the parent merger;
- in favor of the partnership merger;
- in favor of any amendment and restatement to the limited partnership agreement of MAA LP in connection with the partnership merger or the other transactions contemplated by the merger agreement;
- against any other Acquisition Proposal for MAA;
- against any action or agreement that would reasonably be expected to result in any closing condition contained in the merger agreement not being fulfilled; and
- against any action that could reasonably be expected to impede, interfere with, materially delay, materially postpone or materially adversely affect consummation of the transactions contemplated by the merger agreement.

In addition, each of Messrs. Bolton and Sanders and the other shareholder of MAA has separately appointed and constituted Colonial (and certain designated representatives of Colonial), with full power of substitution, as his true and lawful attorneys-in-fact and irrevocable proxies to vote his shares of MAA common stock and MAA LP units, in accordance with the terms of the applicable Voting Agreement, which proxy is

effective only if the applicable shareholder fails to be counted as present, to consent or to vote his shares of MAA common stock and/or MAA LP units in accordance with the terms of the applicable Voting Agreement.

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Colonial

Pursuant to the terms of the separate Voting Agreements entered into by Thomas H. Lowder, James K. Lowder and Harold W. Ripps, subject to the terms and conditions contained in each Voting Agreement, each of Messrs. T. Lowder, J. Lowder and Ripps has separately agreed to vote all of his Colonial common shares and Colonial LP units, as applicable, whether currently owned or acquired at any time prior to the termination of the applicable Voting Agreement, in the following manners:

- in favor of the parent merger;
- in favor of the partnership merger;
- in favor of any amendment to the limited partnership agreement of Colonial LP proposed to facilitate the partnership merger or the other transactions contemplated by the merger agreement;
- against any other Acquisition Proposal for Colonial;
- against any action or agreement that would reasonably be expected to result in any closing condition contained in the merger agreement not being fulfilled; and
- against any action that could reasonably be expected to impede, interfere with, materially delay, materially postpone or materially adversely affect consummation of the transactions contemplated by the merger agreement.

In addition, each of Messrs. T. Lowder, J. Lowder and Ripps has separately appointed and constituted MAA (and certain designated representatives of MAA), with full power of substitution, as his true and lawful attorneys-in-fact and irrevocable proxies to vote his Colonial common shares and Colonial LP units, in accordance with the terms of the applicable Voting Agreement, which proxy is effective only if the applicable shareholder fails to be counted as present, to consent or to vote his Colonial common shares and/or Colonial LP units in accordance with the terms of the applicable Voting Agreement.

Except as described above, nothing in the Voting Agreements limits the rights of the shareholder parties thereto to vote in favor of or against, or abstain with respect to, any matter presented to the shareholders or unitholders of MAA, MAA LP, Colonial or Colonial LP, as applicable. The separate Voting Agreements are entered into only in the individual s capacity as a shareholder and unitholder and nothing in the Voting Agreements restricts, limits or affects in any respect any actions taken in such individual s capacity as a director, trustee, officer or other fiduciary.

Restrictions on Transfer

Under the terms of the Voting Agreements, each of the shareholder parties thereto has agreed that prior to the termination of the applicable Voting Agreement, he shall not, subject to certain limited exceptions:

- directly or indirectly transfer (by operation of law or otherwise), either voluntarily or involuntarily, any (or any interests convertible into) shares of MAA common stock, MAA LP units, Colonial common shares or Colonial LP units, as applicable;
- enter into any contract, option or other arrangement or understanding with respect to any transfer (by operation of law or otherwise) of any (or any interests convertible into) shares of MAA common stock, MAA LP units, Colonial common shares or Colonial LP units, as applicable;

enter into any swap or any other agreement, transaction or series of transactions that hedges or transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of MAA common stock, MAA LP units, Colonial common shares or Colonial LP units, as applicable; and

deposit any shares of MAA common stock, MAA LP units, Colonial common shares or Colonial LP units, as applicable, into a voting trust or enter into a voting agreement or arrangement with respect to any such shares or units, or grant any proxy or power of attorney with respect to any such shares or units.

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Termination of Voting Agreements

MAA

The separate Voting Agreements entered into by H. Eric Bolton, Jr., W. Reid Sanders and the other shareholder of MAA terminate upon the earlier to occur of:

- the later to occur of (A) the approval and adoption of the merger agreement at the MAA special meeting, and (B) the approval of the merger agreement by the holders of MAA LP units; and
- the termination of the merger agreement pursuant to its terms.

Colonial

The separate Voting Agreements entered into by Thomas H. Lowder, James K. Lowder and Harold W. Ripps terminate upon the earlier to occur of:

- the approval and adoption of the merger agreement at the Colonial special meeting; and
- the termination of the merger agreement pursuant to its terms.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

Overview

The following discussion describes the material U.S. federal income tax consequences to U.S. Holders (as defined below) of Colonial LP units and U.S. Holders that are continuing MAA LP unitholders of:

- the partnership merger;
- the subsequent ownership and disposition of MAA LP units; and
- the ownership of shares of MAA common stock issuable upon the redemption of MAA LP units issued in the partnership merger.

The information in this Section, as well as each of the tax opinions described below, is based on the current provisions of the Internal Revenue Code of 1986, as amended (the Code), current, temporary and proposed Treasury Regulations, the legislative history of the Code, and current administrative interpretations and practices of the Internal Revenue Service, including its practices and policies as endorsed in private letter rulings, which are not binding on the Internal Revenue Service except with respect to the taxpayer that receives such a ruling, and court decisions. However, future legislation, Treasury Regulations, administrative interpretations and court decisions could significantly change current law or adversely affect current interpretations of existing law, and any such changes could apply retroactively. Neither MAA, MAA LP nor Colonial LP has requested or plans to request any rulings from the Internal Revenue Service concerning the tax treatment of MAA LP, the partnership merger, the ownership of interests in MAA LP, the ownership of shares of common stock of MAA, or MAA s status as a REIT. Thus, it is possible that the Internal Revenue Service would challenge the statements in this discussion (and/or the conclusions reached in the tax opinions described below), which do not bind the Internal Revenue Service or the courts, and that a court would agree with the Internal Revenue Service.

This discussion does not address (i) U.S. federal taxes other than U.S. federal income taxes as specifically discussed herein, (ii) state, local or non-U.S. taxes or (iii) tax reporting requirements applicable to the partnership merger. In addition, this discussion does not address U.S. federal income tax considerations applicable to holders of Colonial LP units, continuing holders of MAA LP units or holders of shares of MAA common stock that are subject to special treatment under U.S. federal income tax law, including, for example:

- financial institutions;
- pass-through entities (such as entities treated as partnerships for U.S. federal income tax purposes);
- insurance companies;
- broker-dealers;
- tax-exempt organizations;
- dealers in securities or currencies;

traders in securities that elect to use a mark to market method of accounting;

persons that hold Colonial LP units, MAA LP units, or shares of MAA common stock as part of a straddle, hedge, constructive sale, conversion, or other integrated transaction for tax purposes;

regulated investment companies;

real estate investment trusts;

certain U.S. expatriates;

persons whose functional currency is not the U.S. dollar;

persons who hold both Colonial LP units and MAA LP units;

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persons who neither (a) acquired MAA LP units prior to the time that the partnership merger is consummated, or (b) acquire their MAA LP units in exchange for Colonial LP units in connection with the partnership merger, such as, for instance, persons who acquire MAA LP units after the partnership merger;

persons who acquired their Colonial LP units, MAA LP units or shares of MAA common stock in connection with the performance of services;

persons who hold their Colonial LP units, MAA LP units or shares of MAA common stock as other than a capital asset for U.S. federal income tax purposes; and

any holder of Colonial LP units, MAA LP units or shares of MAA common stock who is not a U.S. Holder (including, for instance, a non-U.S. person).

For purposes of this discussion, a U.S. Holder means a beneficial owner of Colonial LP units (other than Colonial), MAA LP units (other than MAA) or shares of MAA common stock, as applicable, that is not excluded from the scope of this discussion, as described above, and is:

an individual who is a citizen or resident of the United States for U.S. income tax purposes;

a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust that (A) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (B) has a valid election in place under the Treasury Regulations to be treated as a U.S. person.

Any non-U.S. persons holding Colonial LP units, MAA LP units or shares of MAA common stock may have U.S. federal income tax considerations that vary significantly from those discussed below and that are not addressed herein. If a partnership (or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Colonial LP units, MAA LP units or shares of MAA common stock, the tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. Any partnership or entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Colonial LP units, MAA LP units, or shares of MAA common stock, and the partners in such partnership, should consult their tax advisors.

Except as discussed below under Tax Opinions Relating to the Partnership Merger and Partnership Tax Status of MAA LP and Colonial LP, the following discussion assumes that (i) MAA LP is and will be treated as a partnership for U.S. federal income tax purposes and (ii) Colonial LP is treated as a partnership for U.S. federal income tax purposes and will be treated as a partnership for U.S. federal income tax purposes until the partnership merger. Failure of either MAA LP or Colonial LP to be treated as a partnership for U.S. federal income tax purposes would materially (and adversely) alter the U.S. federal income tax consequences described below.

THE U.S. FEDERAL INCOME TAX RULES APPLICABLE TO THE PARTNERSHIP MERGER AND THE OWNERSHIP OF PARTNERSHIP INTERESTS AND REIT STOCK ARE HIGHLY TECHNICAL AND COMPLEX. HOLDERS OF COLONIAL LP UNITS AND MAA LP UNITS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE PARTNERSHIP MERGER, AND HOLDERS OF COLONIAL LP UNITS, MAA LP UNITS, AND SHARES OF MAA COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE OWNERSHIP OF MAA LP UNITS AND SHARES OF MAA COMMON STOCK, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX LAWS AND POTENTIAL CHANGES IN APPLICABLE TAX LAWS, IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES. THIS DISCUSSION IS NOT, AND IS NOT INTENDED TO BE, TAX ADVICE.

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Tax Opinions Relating to the Partnership Merger

In connection with the filing of this joint consent solicitation/prospectus, (i) Goodwin Procter LLP (Goodwin Procter), counsel to MAA LP, has delivered the specific opinion described in the paragraphs immediately below to MAA LP regarding the material U.S. federal income tax consequences of the partnership merger to U.S. Holders of Colonial LP units and to U.S. Holders of MAA LP units immediately prior to the partnership merger (sometimes referred to in this discussion as continuing MAA LP unitholders), (ii) Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. (Baker Donelson), counsel to MAA LP, has delivered an opinion to MAA LP that MAA LP is classified as a partnership for U.S. federal income tax purposes, and not as a corporation or as an association taxable as a corporation and its organization and proposed method of operations will enable it to meet the requirements for qualification and taxation as a partnership for U.S. federal income tax purposes (and not as a corporation or an association taxable as a corporation) for its taxable year that includes the partnership merger effective time and (iii) Hogan Lovells US LLP (Hogan Lovells) has delivered (A) the specific opinion described in the paragraphs immediately below to Colonial LP regarding the material U.S. federal income tax consequences of the partnership merger to U.S. Holders of Colonial LP units (other than Colonial) and to continuing MAA LP unitholders, and (B) an opinion to Colonial that Colonial LP is, and will be until the time of the partnership merger, properly treated as a partnership for U.S. federal income tax purposes and not as a corporation or as an association taxable as a corporation. These opinions are subject to customary exceptions, assumptions and qualifications, and are based on representations made by Colonial and Colonial LP, and MAA and MAA LP, regarding factual matters (including those contained in tax representation letters provided by Colonial and Colonial LP, and MAA and MAA LP), covenants undertaken by Colonial and Colonial LP, and MAA and MAA LP, relating to, among other things, the organization and operation of Colonial and its subsidiaries and MAA (and the Combined Corporation) and their subsidiaries. In addition, Goodwin Procter has relied on and assumed the accuracy of the conclusions reached in (i) the opinion of Baker Donelson regarding the treatment of MAA LP as a partnership for U.S. federal income tax purposes, and (ii) the opinion of Hogan Lovells regarding the treatment of Colonial LP as a partnership for U.S. federal income tax purposes. Hogan Lovells has relied on and assumed the accuracy of the conclusion reached in the opinion of Baker Donelson regarding the treatment of MAA LP as a partnership for U.S. federal income tax purposes. If any assumption or representation relied upon by counsel for purposes of its opinion is inaccurate in any way, or any covenant relied upon by counsel for purposes of its opinion is not complied with, the tax consequences of the partnership merger could differ from those described in the tax opinions and in the discussion below.

In the opinion of Hogan Lovells and Goodwin Procter, subject to the limitations noted herein the partnership merger should not result in the recognition of taxable gain or loss at the time of the partnership merger to a U.S. Holder of Colonial LP units:

- who does not receive a cash distribution in connection with the partnership merger (including for this purpose any deemed cash distribution pursuant to Code Section 752 resulting from relief or a deemed relief from liabilities, including as a result of the repayment of indebtedness of Colonial LP or MAA LP in connection with or following the partnership merger or a net reduction in its allocable share of partnership liabilities in connection with or following the partnership merger) in excess of such Colonial LP unitholder s adjusted basis in its Colonial LP units at the partnership merger effective time;

- who is not required to recognize gain by reason of the application of Code Section 707(a) and the Treasury Regulations thereunder to the partnership merger and the partnership merger being treated as part of a disguised sale to such Colonial LP unitholder or to Colonial LP, whether by reason of any transactions undertaken by Colonial LP prior to or in connection with the partnership merger, any debt of Colonial LP that is assumed or repaid in connection with the partnership merger, any cash or other consideration paid, or deemed paid, to a former Colonial LP unitholder in connection with or subsequent to the partnership merger, or otherwise;

- who is not required to recognize income under Code Section 465 by reason of the amount for which such Colonial LP unitholder is at risk in any activity falling below zero as a result of the partnership merger and the parent merger; and

- who does not exercise its redemption right under the amended and restated MAA LP limited partnership agreement with respect to the MAA LP units received in the partnership merger on a date sooner than the date that is two years after the date on which the partnership merger effective time occurs.

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In the opinion of Hogan Lovells and Goodwin Procter, subject to the limitations noted herein the partnership merger should not result in the recognition of taxable gain or loss at the time of the partnership merger to a continuing U.S. Holder of MAA LP units:

- who does not receive a cash distribution in connection with the partnership merger (including for this purpose any deemed cash distribution pursuant to Code Section 752 resulting from relief or a deemed relief from liabilities, including as a result of the repayment of certain indebtedness of MAA LP in connection with or following the partnership merger or a net reduction in its allocable share of partnership liabilities in connection with or following the partnership merger) that either (x) exceeds such unitholder s adjusted basis in its MAA LP units at the partnership merger effective time or (y) is treated as received in exchange for all or part of such continuing MAA LP unitholder s interest in unrealized receivables or substantially appreciated inventory pursuant to Code Section 751(b); and

- who is not required to recognize income under Code Section 465 by reason of the amount for which such Colonial LP unitholder is at risk in any activity falling below zero as a result of the partnership merger and the parent merger.

The foregoing tax opinions do not address any matters other than those U.S. federal income tax matters expressly set forth above. These opinions do not address the tax consequences of any prior contribution of property by or other transaction between a Colonial LP unitholder or MAA LP unitholder to or with Colonial LP or MAA LP, respectively, taking place prior to the partnership merger, including any tax consequences which may occur as a result of the partnership merger or thereafter (or the effect of the partnership merger on any like kind exchanges or other pending tax-deferral transactions or items undertaken by Colonial LP). In addition, these opinions do not address whether the partnership merger could cause recapture of tax benefits or accelerate recognition of certain items of income subject to special rules under the Code (such as with respect to any investment credit property, changes in methods of accounting, and the deferral of income or gain under special methods of accounting (including long term contracts accounted for using a long-term contract method held by Colonial LP)); however, Colonial LP and MAA LP each believe that its amount of such items, if any, at the time of the partnership merger will be not be material. See Tax Characterization of the Partnership Merger below. Moreover, as generally described in the discussion that follows, the determination of whether any particular U.S. Holder is considered to receive an actual or deemed cash distribution and/or a reduction in its at-risk amount in connection with the partnership merger and the proper application of the disguised sale rules of Code Section 707(a) to the partnership merger depend on the application of complex rules that are uncertain in many respects and/or factual determinations that are not susceptible to legal opinion. No opinion is expressed to the application of such rules or such factual determinations.

The tax opinions described above represent the legal judgment of counsel rendering the opinion and are not binding on the Internal Revenue Service or the courts. There can be no assurance that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to the conclusions set forth in the tax opinions. As noted above, such tax opinions are based on current law. Changes in applicable law could adversely affect such opinions.

Tax Characterization of the Partnership Merger

The partnership merger should be treated for U.S. federal income tax purposes as a contribution by Colonial LP of all of its assets, subject to all of its existing liabilities, to MAA LP in exchange for MAA LP units, immediately followed by the distribution of those MAA LP units to the Colonial LP unitholders in liquidation of Colonial LP. Although the state law existence of Colonial LP will continue after the partnership merger, for U.S. federal income tax purposes, because and for so long as Colonial LP is wholly owned by MAA LP and/or MAA subsidiaries that are themselves disregarded as separate entities from MAA LP for U.S. federal income tax purposes, the separate existence of Colonial LP will be disregarded and the assets and activities of Colonial LP will be treated as the assets and activities of MAA LP for U.S. federal income tax purposes. The partnership merger should not be treated as a transfer of assets by MAA LP or an exchange with respect to continuing MAA LP unitholders.

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Subject to the more detailed discussion below regarding the U.S. federal income tax consequences of the partnership merger to holders of Colonial LP units, neither the deemed contribution of assets by Colonial LP to MAA LP nor the deemed distribution of MAA LP units by Colonial LP as a result of the partnership merger should cause Colonial LP to recognize gain or loss for U.S. federal income tax purposes. Nonetheless, the partnership merger could cause the recapture of tax benefits or accelerate recognition of certain items of income subject to special rules under the Code (such as with respect to any investment credit property, changes in methods of accounting and the deferral of income or gain under special methods of accounting (including long term contracts accounted for using a long-term contract method held by Colonial LP)); however, Colonial LP and MAA LP each believe that its amount of such items, if any, at the time of the partnership merger will not be material. The IRS may take the position that the deemed contribution of assets will prevent any pending like-kind exchanges of Colonial LP (or other pending tax-deferral transactions undertaken by Colonial LP) not completed sufficiently in advance of the partnership merger from qualifying for deferral under Code Section 1031 (or such other relevant provision of tax law).

In accordance with the merger agreement, which requires that the partnership merger effective time precede the parent merger effective time, MAA LP and Colonial LP intend to take the position for U.S. federal income tax purposes that the partnership merger occurs prior to the parent merger. Assuming that the partnership merger effective time is treated, for U.S. federal income tax purposes, as occurring prior to the parent merger effective time, it is not expected that the partnership merger would cause either Colonial LP or MAA LP to undergo a technical termination under Code Section 708(b)(1)(B). There can be no assurance, however, that the Internal Revenue Service might successfully contend that the partnership merger did not, for U.S. federal income tax purposes, occur prior to the parent merger and that, as a result, the partnership merger caused Colonial LP to have undergone a technical termination. If Colonial LP is treated as having undergone a technical termination prior to the partnership merger, the depreciable lives of the assets deemed contributed by Colonial LP to MAA LP in the partnership merger will be restarted for tax purposes, as well as for purposes of determining book-tax differences under Code Section 704(b), which in turn could adversely affect the share of depreciation deductions of, and allocations with respect to built-in gain to, holders of MAA LP units (including former Colonial LP unitholders). See Tax Consequences of Ownership of MAA LP Units After the Partnership Merger Tax Allocations with Respect to Book-Tax Difference on Contributed Properties for a discussion of such principles.

Summary of the Material U.S. Federal Income Tax Consequences of the Partnership Merger to Colonial LP Unitholders

Subject to the qualifications and limitations discussed below (including the application of the disguised sale rules discussed below), a U.S. Holder of Colonial LP units who receives MAA LP units in exchange for all of its Colonial LP units in the partnership merger generally should not recognize taxable gain or loss at the time of the partnership merger unless the Colonial LP unitholder is considered to receive, in connection with the partnership merger, either a cash distribution or a deemed cash distribution resulting from relief from liabilities that exceeds the aggregate adjusted tax basis that the Colonial LP unitholder has in its MAA LP units received in the partnership merger, or is otherwise required to recognize ordinary income under the at-risk recapture rules as a result of a reduction of its amount deemed at-risk in any activity under such rules.

A Colonial LP unitholder will have deemed relief from partnership liabilities resulting from the partnership merger to the extent that the unitholder has a net reduction in its allocable share of partnership liabilities (comparing its share of Colonial LP liabilities immediately prior the partnership merger against its share of MAA LP liabilities immediately after the partnership merger). The determination of a unitholder s share of partnership liabilities (and thus the determination of whether a Colonial LP unitholder has received a deemed cash distribution resulting from reduction in the holder s share of partnership liabilities) and the extent to which such a unitholder will recognize gain, if any, in respect thereof depends on the application of complex regulations and the unitholder s unique circumstances, including:

- the unitholder s adjusted tax basis in its Colonial LP units at the time of the partnership merger (which will vary by unitholder and depends on, among other things, how the unitholder acquired its Colonial

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LP units and events that occurred while it held those units that could have affected its adjusted tax basis in those units);

the assets originally contributed to Colonial LP by the unitholder or by an entity from which the unitholder received its Colonial LP units;

the indebtedness, immediately prior to the time of the partnership merger, of Colonial LP, if any, secured by the assets originally contributed by the unitholder or by an entity from which the unitholder received its Colonial LP units;

Colonial LP s tax basis at the time of the partnership merger in the assets originally contributed by the unitholder or by an entity from which the unitholder received its Colonial LP units;

the share of the unrealized gain with respect to Colonial LP s assets attributable to the unitholder at the time of the partnership merger; and

in the case of a unitholder that has a share of recourse liabilities of Colonial LP by reason of an indemnity or guarantee, whether that obligation will continue with respect to MAA LP following the partnership merger or will otherwise survive the partnership merger and whether that indemnification or guarantee is, and will continue to be, respected for U.S. federal income tax purposes.

A deemed cash distribution resulting from a net reduction in a unitholder s allocable share of partnership liabilities as described above also generally could reduce a Colonial LP unitholder s at risk amount in the activity (or activities) of Colonial LP. In addition, courts have held that certain arrangements, such as deficit restoration obligations, while attracting a share of liabilities for purposes of the deemed distribution rules, may not provide at-risk coverage. A reduction in at-risk amounts also may occur if a Colonial LP unitholder is allocated a share of a nonrecourse liability that fails to qualify as a qualified nonrecourse financing for at-risk purposes. See Tax Consequences of the Partnership Merger to U.S. Holders of Colonial LP Units That Receive MAA LP Units Section 465(e) Recapture below.

Even if a holder of Colonial LP units does not recognize taxable gain at the time of the partnership merger, the occurrence of subsequent events could cause the unitholder to recognize all or part of the gain that was deferred either through the original contribution of assets to Colonial LP or through the partnership merger, as discussed further below. Under the amended and restated MAA LP limited partnership agreement, subject to any separate agreements with or for the benefit of any direct or indirect holders of MAA LP units (including those which have been incorporated into the amended and restated MAA LP limited partnership agreement), MAA, as general partner of MAA LP, may, but shall be under no obligation to, take into account the tax consequences to any holder of MAA LP units. Notwithstanding the foregoing, under the amended and restated MAA LP limited partnership agreement, if MAA, as general partner of MAA LP, decides to refinance (directly or indirectly) any outstanding indebtedness of MAA LP, MAA must use reasonable efforts to structure such refinancing in a manner that minimizes any adverse tax consequences therefrom to the limited partners of MAA LP. In addition, under the amended and restated MAA LP limited partnership agreement, in deciding whether or not to dispose of any property that represents more than 1% of MAA s total assets, MAA must consider in good faith the income tax consequences of such disposition for both itself and the limited partners of MAA LP. Nonetheless, the amended and restated MAA LP limited partnership agreement also will provide that, except as may be set forth in a separate written agreement between a limited partner and MAA (and/or MAA LP, as applicable) or otherwise expressly provided in the amended and restated MAA LP limited partnership agreement, neither MAA, as general partner of MAA LP, nor MAA LP shall have liability to a limited partner under any circumstances as a result of an income tax liability incurred by such limited partner as a result of an action (or inaction) by MAA, as general partner of MAA LP, pursuant to its authority under such agreement.

Because Colonial LP does not expect to have aggregate liabilities in excess of its aggregate tax basis in its assets, the deemed contribution of assets by Colonial LP resulting from the partnership merger should not cause Colonial LP to recognize gain as a result of the deemed relief from liabilities in excess of basis, and the remainder of this discussion so assumes.

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Summary of the Material U.S. Federal Income Tax Consequences of the Partnership Merger to Continuing MAA LP Unitholders

As noted above under Tax Characterization of the Partnership Merger, the partnership merger should not be characterized for U.S. federal income tax purposes as an exchange of assets by MAA LP or an exchange of MAA LP units by continuing MAA LP unitholders. Thus, neither the partnership merger nor the adoption of the amended and restated MAA LP limited partnership agreement should, by itself or in combination, result in recognition of taxable gain or loss by, or alter the adjusted basis or holding period of, a continuing MAA LP unitholder for U.S. federal income tax purposes.

Nevertheless, a continuing MAA LP unitholder could recognize taxable gain or loss at the time of the partnership merger if the MAA LP unitholder is considered to receive a deemed cash distribution from a reduction in its allocable share of MAA LP liabilities that exceeds the aggregate adjusted tax basis that the continuing MAA LP unitholder has in its MAA LP units, or is otherwise required to recognize ordinary income under the at-risk recapture rules as a result of a reduction of its amount deemed at-risk in an activity of MAA LP under such rules, generally based on the same principles noted above with respect to former Colonial LP unitholders (but generally with reference to the unrealized gain and other attributes of MAA LP s pre-merger properties). Under IRS rulings, an MAA LP unitholder also could recognize gain if the unitholder receives a deemed cash distribution from a net reduction in its allocable share of MAA LP liabilities in connection with the partnership merger and the partnership merger also results in a net reduction in the unitholder s interest in certain ordinary income assets of MAA LP. However, MAA LP does not believe it will have material amounts of such items, if any, at the time of the partnership merger and in any event intends to take the position that the partnership merger does not reduce any MAA LP unitholder s interest in such items (if any). Although it is possible that such gain may be recognized as a result of the occurrence of the partnership merger or subsequent events that are related to or would not have occurred absent the partnership merger, the risk of recognizing gain in such circumstances, as a general matter, exists for MAA LP unitholders with regard to actions which may be taken by MAA LP without their approval and whether or not the partnership merger is consummated. The rules (and risks) described below under Tax Consequences of the Partnership Merger to U.S. Holders of Colonial LP Units That Receive MAA LP Units Reduction in Share of Partnership Liabilities/Deemed Cash Distribution, Possible Guarantee/Indemnities and Section 465(e) Recapture generally will apply in an analogous manner to continuing MAA LP unitholders. In that regard, the amended and restated MAA LP limited partnership agreement includes provisions intended to preserve the deficit restoration obligations and limitations on sales of certain assets included in the existing MAA LP limited partnership agreement.

If an MAA LP unitholder has contributed property to MAA LP within the two year period ending on the partnership merger effective date, a deemed distribution from a reduction in its allocable share of MAA LP liabilities or exercise of the unitholder s redemption rights under the amended and restated MAA LP limited partnership agreement in such two year period also may cause such distribution to be treated as part of a disguised sale.

Partnership Tax Status of MAA LP and Colonial LP

Except where explicitly indicated to the contrary, this entire discussion assumes that each of MAA LP and Colonial LP will be treated as a partnership for U.S. federal income tax purposes in accordance with the opinion of Baker Donelson referred to under Tax Opinions Relating to the Partnership Merger above and in accordance with the opinion of Hogan Lovells referred to under Tax Opinions Relating to the Partnership Merger above, respectively.

MAA LP. Pursuant to Treasury Regulations under Section 7701 of the Code, an entity that is organized under state law as a partnership that is not a publicly traded partnership and has, for U.S. federal income tax purposes, two or more partners generally will be treated as a partnership for U.S. federal income tax purposes unless it elects to be treated as a corporation. MAA and MAA LP have represented to Colonial and Colonial LP in the merger agreement that MAA LP is treated, and will be treated as of the time of the partnership merger, as a partnership for U.S. federal income tax purposes. An entity that is classified as a partnership under these

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regulations nevertheless will be taxable as a corporation if it is a publicly traded partnership within the meaning of Section 7704 of the Code that fails to satisfy a 90% qualifying income test under Section 7704 of the Code. A partnership is a publicly traded partnership under Section 7704 of the Code if:

- interests in the partnership are traded on an established securities market; or
- interests in the partnership are readily tradable on a secondary market or the substantial equivalent of a secondary market.

Under the relevant Treasury Regulations, interests in a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) are considered readily tradable on a secondary market or the substantial equivalent thereof if, taking into account all of the facts and circumstances, the partners are readily able to buy, sell, or exchange their partnership interests in a manner that is comparable, economically, to trading on an established securities market because (i) interests in the partnership are regularly quoted by any person, such as a broker or dealer, making a market in the interests, (ii) any person regularly makes available to the public (including customers or subscribers) bid or offer quotes with respect to interests in the partnership and stands ready to effect buy or sell transactions at the quoted prices for itself or on behalf of others, (iii) the holder of an interest in the partnership has a readily available, regular, and ongoing opportunity to sell or exchange the interest through a public means of obtaining or providing information of offers to buy, sell, or exchange interests in the partnership, or (iv) prospective buyers and sellers otherwise have the opportunity to buy, sell or exchange interests in the partnership in a time frame and with the regularity and continuity that is comparable to the foregoing. Under these regulations, interests in a partnership will not be considered readily tradable on a secondary market or on the substantial equivalent of a secondary market if the partnership qualifies for specified safe harbors, which look to the specific facts and circumstances relating to the partnership and to transfers of interests in the partnership.

MAA LP currently takes the reporting position for U.S. federal income tax purposes that it is not a publicly traded partnership, and MAA LP expect to continue to take that position after the partnership merger. There is a risk, however, that the right of a holder of operating partnership units to redeem the units for common stock could cause operating partnership units to be considered readily tradable on the substantial equivalent of a secondary market. As noted above, under the relevant Treasury regulations, interests in a partnership will not be considered readily tradable on a secondary market or on the substantial equivalent of a secondary market if the partnership qualifies for specified safe harbors. MAA and MAA LP believe that MAA LP will qualify for at least one of these safe harbors at all times in the foreseeable future, but cannot provide any assurance that MAA LP will continue to qualify for one of the safe harbors mentioned above.

If MAA LP is a publicly traded partnership, it will be taxed as a corporation unless at least 90% of its gross income has consisted and will consist of qualifying income under Section 7704 of the Code. Qualifying income generally includes real property rents and other types of passive income. MAA and MAA LP believe that MAA LP will have sufficient qualifying income so that it would be taxed as a partnership, even if it were a publicly traded partnership. The income requirements applicable to REITs under the Code and the definition of qualifying income under the publicly traded partnership rules are very similar. Although differences exist between these two income tests, MAA and MAA LP do not believe that these differences have caused or will cause MAA LP not to satisfy the 90% gross income test applicable to publicly traded partnerships.

If MAA LP were instead taxable as a corporation, most, if not all, of the tax consequences described below would not apply. For instance, the partnership merger could constitute a taxable transaction. Moreover, MAA LP generally would be subject U.S. federal income tax at regular corporate tax rates on its net income, and distributions to MAA LP unitholders could be materially reduced, thereby affecting the value of MAA LP units. In addition, if MAA LP was taxable as a corporation, MAA would fail to qualify as a REIT under the Code and would instead be taxable as a regular corporation. This would likely have the effect of reducing significantly the value of shares of MAA common stock, which, in turn, would adversely affect the value of MAA LP units (because MAA LP units generally may be redeemed in exchange for shares of MAA common stock or their cash equivalent, at the election of MAA LP).

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Colonial LP. Under the applicable Treasury Regulations, Colonial LP will be classified as a partnership so long as it does not elect to be classified as a corporation and is not a publicly traded partnership. Colonial LP has not elected to be classified as a corporation and does not believe that it is a publicly traded partnership. Colonial and Colonial LP have represented to MAA and MAA LP in the merger agreement that Colonial LP is treated, and will be treated as of the partnership merger, as a partnership for U.S. federal income tax purposes. Moreover, Colonial LP believes that even if it were a publicly traded partnership, it would not be taxed as a corporation because at least 90% of its gross income has consisted and will consist of qualifying income under Section 7704 of the Code. See Partnership Tax Status of MAA LP and Colonial LP MAA LP above for a more detailed discussion of the tax consequences of partnership classification, the publicly traded partnership rules and the qualifying income exception.

If Colonial LP were instead taxable as a corporation, most, if not all, of the tax consequences described herein would not apply and Colonial would not qualify as a REIT currently.

Tax Consequences of the Partnership Merger to U.S. Holders of Colonial LP Units That Receive MAA LP Units

As described above, the partnership merger will be treated for U.S. federal income tax purposes as a contribution by Colonial LP of all of its assets, subject to all of its existing liabilities to MAA LP in exchange for MAA LP units, immediately followed by the distribution of those MAA LP units to the Colonial LP unitholders. Under Code Section 721, in general, neither the contributing partner (Colonial LP) nor the partnership (MAA LP) recognizes gain or loss upon a contribution of property to the partnership in exchange for an interest in the partnership. See Tax Characterization of the Partnership Merger above. Code Section 721 ordinarily applies even when the transferred property is subject to liabilities (or the partnership assumes liabilities of the contributor) so long as the taking subject to or assumption of liabilities does not result in a deemed cash distribution to the contributing partner in excess of the contributing partner s basis in the assets contributed to the partnership (which generally only arises if the amount of liabilities taken subject to or so assumed exceeds such basis plus the contributing partners post-contribution share of partnership liabilities). Under Code Section 731, the deemed distribution of MAA LP units by Colonial LP to the Colonial LP unitholders also should not result in the recognition of gain to either Colonial LP or the Colonial LP unitholders so long as there is no actual or deemed distribution of cash to a Colonial LP unitholder in excess of its adjusted basis in its Colonial LP units (determined taking into account adjustments thereto resulting from the partnership merger).

Notwithstanding the foregoing, nonrecognition treatment under Code Section 721 and/or Code Section 731 will not apply if one of the following situations applies:

- The Colonial LP unitholder receives a deemed cash distribution from MAA LP as a result of a decrease in the unitholder s share of Colonial LP liabilities that is not offset by the unitholder s share of MAA LP liabilities attributable to MAA LP units acquired in the partnership merger. Under these circumstances, the Colonial LP unitholder will recognize gain if the deemed cash distribution exceeds the unitholder s adjusted basis in its MAA LP units received in the partnership merger.

- The deemed contribution of assets by Colonial LP to MAA LP is treated in whole or in part as a disguised sale of the Colonial LP assets or units under Code Section 707 by either Colonial LP or a former Colonial LP unitholder.

- The unitholder is considered to receive a taxable distribution of marketable securities under Code Section 731(c) (i.e., upon the deemed distribution of MAA LP units by Colonial LP) to which an exception does not apply.

- The unitholder is required to recognize income under the at-risk recapture rules of Section 465(e) of the Code.

These potential gain recognition situations are discussed more fully below. In addition, as mentioned above, subsequent events or transactions could cause a former Colonial LP unitholder to recognize all or part of its deferred gain that is not recognized in the partnership merger. See Effect of Subsequent Events below.

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Reduction in Share of Partnership Liabilities/Deemed Cash Distribution. To the extent that a Colonial LP unitholder s share of Colonial LP liabilities immediately prior to the partnership merger exceeds its allocable share of MAA LP liabilities attributable to MAA LP units acquired in the partnership merger, the unitholder will be considered to receive a deemed cash distribution in connection with the partnership merger and, accordingly, the Colonial LP unitholder could recognize taxable gain at the time of the partnership merger. The Colonial LP unitholder, however, will recognize gain from such deemed distribution only to the extent that the deemed cash distribution exceeds the Colonial LP unitholder s adjusted tax basis in MAA LP units it receives in the partnership merger.

In order to determine whether a Colonial LP unitholder s share of liabilities is reduced as a result of the partnership merger, the Colonial LP unitholder s share of liabilities in Colonial LP immediately before the partnership merger must be compared to the unitholder s share of liabilities as an MAA LP unitholder immediately after the partnership merger. Any net reduction in a former Colonial LP unitholder s share of liabilities will be considered to result in a deemed cash distribution from MAA LP to that unitholder, which will be taxable to the extent that it exceeds such former Colonial LP unitholder s adjusted tax basis in MAA LP units received in the partnership merger. A summary of the rules for allocating partnership liabilities is provided below. However, those rules are complex and highly fact-dependent. Moreover, neither Colonial LP nor MAA LP is providing any assurances that a holder of Colonial LP units will receive a sufficient allocation of liabilities of MAA LP to avoid gain (or at-risk recapture). Each Colonial LP unitholder should consult with its own tax advisor to assess, in their particular circumstances, the potential impact on them of a reduction of its share of liabilities as a result of or otherwise following the partnership merger and the resulting deemed receipt of a cash distribution as a result thereof.

Under Code Section 752 and the relevant Treasury Regulations, the determination of a partner s share of partnership liabilities depends on whether the liabilities are recourse or nonrecourse. A partnership liability is a recourse liability to the extent that any partner, or a person related to any partner, bears the economic risk of loss for that liability. A partnership liability is nonrecourse to the extent that no partner, and no person related to any partner, bears the economic risk of loss for that liability.

An MAA LP unitholder (including a former Colonial LP unitholder) will have a share of the recourse liabilities of MAA LP only if and to the extent that the unitholder either:

- guarantees or indemnifies specified debt of Colonial LP that remains outstanding following the partnership merger and such guarantee or indemnity is effective for U.S. federal income tax purposes to cause the former Colonial LP unitholder to be considered to bear the economic risk of loss with respect to those liabilities; or

- guarantees or indemnifies specified debt of MAA LP, or enters into a deficit restoration obligation with respect to any deficit in its capital account as holder of MAA LP units, and that guarantee, indemnity, or deficit restoration obligation is effective for U.S. federal income tax purposes to cause the MAA LP unitholder to be considered to bear the economic risk of loss with respect to MAA LP recourse liabilities.

A partner s share of partnership nonrecourse liabilities equals the sum of:

- the partner s share of partnership minimum gain under Code Section 704(b) and the relevant Treasury Regulations;

- the partner s Section 704(c) minimum gain, which is the amount of any taxable gain that would be allocated to the partner under Code Section 704(c) or in the same manner as Code Section 704(c) in connection with a revaluation of partnership property if the partnership disposed of all partnership property subject to one or more nonrecourse liabilities of the partnership in full satisfaction of those liabilities and for no other consideration in a taxable transaction; and

- the partner s share of excess nonrecourse liabilities which are not allocable to the partners under one of the two preceding rules.

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As a result of the restatement of the capital accounts of its partners under Section 704(b) of the Code to fair market value in connection with the partnership merger, MAA LP believes that, immediately following the partnership merger, it will not have any partnership minimum gain, and, thus, no MAA LP unitholder would be allocated any share of nonrecourse debt that is attributable to partnership minimum gain. The amount of any liabilities attributable to Code Section 704(c) minimum gain allocable to an MAA LP unitholder, including Colonial LP unitholder who becomes an MAA LP unitholder, will depend on several factors, including:

- the Colonial LP unitholder s share of the Code Section 704(c) gain of Colonial LP immediately prior to the partnership merger, which depends, among other things, upon the assets that the unitholder originally contributed or was deemed to contribute to Colonial LP in exchange for its Colonial LP units, the tax basis of those assets at the time of the contribution to Colonial LP relative to their fair market value at the time, and the amount of nonrecourse liabilities of Colonial LP, if any, secured by those assets (or treated as secured by those assets for this purpose) at the time of the partnership merger;

- the Colonial LP unitholder s share of any additional Section 704(c) minimum gain attributable to the assets of Colonial LP created by reason of the partnership merger if, for example, any nonrecourse liabilities secured by particular Colonial LP assets at the time of the partnership merger exceed the tax basis of those assets by more than the existing Section 704(c) minimum gain attributable to those assets immediately prior to the partnership merger; and

- the extent to which MAA LP causes nonrecourse liabilities of Colonial LP as to which there exists Section 704(c) minimum gain immediately before the partnership merger to be repaid or refinanced in connection with or subsequent to the partnership merger in a manner that reduces or eliminates that Section 704(c) minimum gain.

There can be no assurance that a Colonial LP unitholder s share of the liabilities of Colonial LP will not be reduced as a result of the partnership merger, or that a Colonial LP unitholder s share of the liabilities of MAA LP following the partnership merger will be adequate to avoid the recognition of gain.

Possible Guarantee/Indemnities. As a general matter, if a Colonial LP unitholder has in place at the time of the partnership merger an existing guarantee or indemnity of indebtedness of Colonial LP (or one of its subsidiaries), such obligation will continue in effect after the partnership merger unless the debt to which the guarantee or indemnity applies is repaid or refinanced or MAA LP acts to terminate that guarantee or indemnity. Neither MAA LP nor Colonial LP offers any assurance that those guarantees or indemnities either are or will be effective to defer taxable gain that a former Colonial LP unitholder otherwise would recognize either at the time of the partnership merger or thereafter.

The merger agreement permits, but does not require, Colonial and Colonial LP, subject to certain limitations, to take actions so as to permit or facilitate any direct or indirect holder of Colonial LP units to guarantee or indemnify indebtedness of Colonial LP or a subsidiary of Colonial in a manner consistent with past practice as reasonably necessary to prevent the recapture of a such unitholder s negative tax capital account until the date of the partnership merger, taking into account the effects of the partnership merger. The negative tax capital account of a holder of Colonial LP units (or, following the partnership merger, a former Colonial LP unitholder) generally is the amount by which its share of the indebtedness of Colonial LP (or, following the partnership merger, MAA LP) exceeds its adjusted tax basis in its Colonial LP units or, following the partnership merger, MAA LP units (that is, as a general matter, the amount of deferred gain that would be recognized by the Colonial LP unitholder if it were not to be allocated any share of the liabilities of Colonial LP). There can be no assurance any direct or indirect holder of Colonial LP units has guaranteed or indemnified, or will be offered the opportunity to guarantee or indemnify, sufficient indebtedness to prevent the recognition of gain.

Moreover, substantial uncertainties may exist as to the amount of guarantee or indemnity required for any particular U.S. Holder to avoid the recognition of gain and/or whether any such guarantees or indemnities will be considered effective for U.S. federal income tax purposes to prevent the recognition of gain. In addition, as described above, the extent to which a Colonial LP unitholder may recognize income or gain as a result of a

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deemed distribution of cash resulting from a reduction in its share of partnership liabilities depends on, among other things, former Colonial LP unitholders respective shares of liabilities of MAA LP following the partnership merger. The rules for determining a partner s share of liabilities under the Code and relevant Treasury Regulations are, as mentioned, complex and dependent on numerous factors. Given the complexity of these rules, the required factual determinations, and the potential impact of subsequent events, it may be difficult for Colonial and Colonial LP to determine, prior to the partnership merger, a former Colonial LP unitholder s share of MAA LP liabilities immediately following the partnership merger, or otherwise determine such unitholder s negative tax capital account at any given time. Therefore, there can be no assurance any guarantee or indemnity, if one is offered to a holder of Colonial LP units, would be sufficient to prevent a holder of Colonial LP units from recognizing income or gain in connection with the partnership merger as a result of a deemed distribution of cash resulting from a reduction in its share of partnership liabilities, or thereafter. In addition, any existing or new guarantee or indemnity may not be respected as achieving the intended tax result under existing law. The Internal Revenue Service has recently indicated that it may issue guidance limiting an ability of a partner to be allocated liabilities of a partnership by entering into a so-called bottom dollar guarantee or indemnity. Such guidance, when effective, may limit the effectiveness of a guarantee or indemnity entered into by a holder of Colonial LP unitholder to cause liabilities of Colonial LP or, after the partnership merger, MAA LP to be allocated to such unitholder. As of the date hereof, no such guidance has been issued, including in proposed form. There can be no assurance, therefore, as to when or if such guidance may be issued, what form it may take, and/or whether and how it may apply to existing or future guarantees and indemnities entered into, if any, by holders of Colonial LP units.

Disguised Sale. A Colonial LP unitholder may have taxable gain if the partnership merger is considered to result in a disguised sale to MAA LP of some or all of the Colonial LP assets or the Colonial LP unitholder s units. Code Section 707 and the applicable Treasury Regulations, which are referred to as the disguised sale rules, generally provide that a disguised sale of property has occurred if:

- a partner contributes property to a partnership; and
- the partnership transfers money or other consideration to the partner (which may include, as described below, the assumption of or taking subject to liabilities by the partnership).

Under the disguised sale rules, a contribution to a partnership and any transfer to a partner that occur within two years of each other are presumed to be a disguised sale unless:

- the facts and circumstances clearly establish that the contribution and transfer do not constitute a disguised sale; or
- an exception to disguised sale treatment applies.

Generally, a transfer of property by a partner to a partnership and a transfer of money or other consideration (other than an interest in the partnership) from the partnership to the partner will be treated as a disguised sale if (i) the transfer of money or other consideration would not have been made but for the transfer of property and (ii) in cases where the transfers are not made simultaneously, the subsequent transfer is not dependent on the entrepreneurial risks of partnership operations.

No direct transfers of money or of consideration other than MAA LP units will be made to Colonial LP or any Colonial LP unitholder in the partnership merger. However, the disguised sale rules can apply in other circumstances as well.

For purposes of the disguised sale rules, either an assumption of liabilities by the partnership or a transfer of properties subject to liabilities may be treated as a transfer of money or other property from the partnership to the partner which gives rise to a disguised sale, even if that transaction would not otherwise result in a taxable deemed cash distribution in excess of the partner s basis. For purposes of this rule, a reduction in a Colonial LP unitholder s share of partnership liabilities in connection with the partnership merger could be treated as a transfer of money or property from MAA LP to the unitholder (or Colonial LP) that gives rise to a disguised sale, even if that reduction

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would not otherwise result in a taxable deemed cash distribution in excess of the Colonial LP unitholder s basis in his partnership interest. The method of computing the amount of any such reduction under the disguised sale rules is different from, and generally more onerous than, the method applied for purposes of the rules discussed above under Reduction in Share of Partnership Liabilities/Deemed Cash Distribution .

Notwithstanding the foregoing, in connection with a contribution to a partnership that is not otherwise treated as part of a disguised sale, neither the assumption of qualified liabilities by the partnership (MAA LP) nor the acquisition by the partnership (MAA LP) of properties subject to qualified liabilities is treated as part of a disguised sale. Under the disguised sale rules, a qualified liability includes:

- any liability incurred more than two years prior to the earlier of the transfer of the property or the date the partner agrees in writing to the transfer, as long as the liability has encumbered the transferred property throughout the two-year period;
- a liability that was not incurred in anticipation of the transfer of the property to a partnership, but that was incurred by the partner within the two-year period prior to the earlier of the date the partner agrees in writing to transfer the property or the date the partner transfers the property to a partnership and that has encumbered the transferred property since it was incurred;
- a liability that is traceable under applicable Treasury Regulations to capital expenditures with respect to the property; and
- a liability that was incurred in the ordinary course of the trade or business in which property transferred to the partnership was used or held, but only if all the assets related to that trade or business are transferred, other than assets that are not material to a continuation of the trade or business.

A liability incurred within two years of the transfer is presumed to be incurred in anticipation of the transfer unless the facts and circumstances clearly establish that the liability was not incurred in anticipation of the transfer. However, to the extent that a contributing partner incurs a refinancing liability and the proceeds thereof are allocable under the Treasury Regulations to payments discharging all or part of any other liability of that partner or of the partnership, the refinancing debt is considered the same as the other liability for purposes of the disguised sale rules. Finally, if a partner treats a liability incurred within two years of the transfer as a qualified liability because the facts clearly establish that it was not incurred in anticipation of the transfer, such treatment must be disclosed to the Internal Revenue Service in the manner set forth in the disguised sale rules.

Moreover, if a transfer of property to a partnership is treated as part of a disguised sale without regard to the partnership s assumption of or taking subject to a qualified liability, then the partnership s assumption of or taking subject to that liability generally is treated as a transfer of additional consideration to the transferring partner only to the extent of the lesser of (i) the excess of the amount of the liability over the partner s post-contribution share of the liability (as determined under the disguised sale rules and taking into account certain anticipated reductions in such share) and (ii) the amount determined by multiplying the amount of the qualified liability by the partner s net equity percentage. The net equity percentage is generally the amount of consideration received by the partner, other than relief from qualified liabilities, divided by the partner s net equity in the property sold, as calculated under the disguised sale rules.

Colonial and Colonial LP expect that all liabilities of Colonial LP at the time of the partnership merger will be qualified liabilities. If Colonial LP s liabilities are so characterized, and absent any other disguised sale consideration, the transfer of Colonial LP s assets subject to such liabilities in the partnership merger should not result in recognition of gain under the disguised sale rules to Colonial LP. There can be no assurance, however, that the Internal Revenue Service would not contend otherwise.

Cash distributions from a partnership to a partner also may be treated as a transfer of property for purposes of the disguised sale rules. However, a cash distribution will not be treated as part of a disguised sale if it is attributable to a reasonable preferred return or is a distribution of operating cash flow. Post-merger cash

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distributions by MAA LP that do not fall within one of those safe harbors will be treated as disguised sale consideration to the extent they satisfy the but for and lack of entrepreneurial risk tests above (and during the first two years following the partnership merger will be presumed part of a disguised sale unless the facts and circumstances clearly establish otherwise). MAA LP cannot guarantee that MAA LP will not make one or more cash distributions that could be viewed as part of a disguised sale to the extent received by former Colonial LP unitholders.

MAA LP unitholders will have unit redemption rights, which entitle the unitholders (other than MAA) to require MAA LP to pay the unitholder the fair market value of MAA LP units in cash, unless MAA elects to acquire the MAA LP units for cash or shares of MAA common stock, at MAA s election. The existence of the unit redemption rights with respect to those MAA LP units issued in the partnership merger is not likely to be additional consideration for purposes of the disguised sale rules, although there can be no assurance that the Internal Revenue Service would not contend otherwise. However, if a Colonial LP unitholder that acquires MAA LP units in the partnership merger were to exercise the unit redemption right at the time of or within two years after the partnership merger, there may be a risk that the payment of cash by MAA LP would result in disguised sale treatment of the partnership merger for that unitholder, or potentially for Colonial LP.

If a disguised sale of all or a portion of Colonial LP unitholder s Colonial LP units to MAA LP is deemed to occur, a unitholder could be required to recognize some or all of the deferred gain represented by the excess of the amount realized (which is equal to the sum of the fair market value of MAA LP units received in the partnership merger, the amount of any reduction in liabilities attributable to the unitholder as a result of the partnership merger, and any other consideration received in the partnership merger) over the unitholder s basis in those units. The disguised sale would be treated as a sale for all purposes of the Code and would be considered to take place on the date that, under general principles of U.S. federal tax law, MAA LP becomes the owner of the property. If the transfer of money or other consideration from MAA LP occurs after the partnership merger, MAA LP would be treated as having acquired the property at the time of the partnership merger and having issued an obligation to transfer to Colonial LP or the unitholders, as applicable, money or other consideration at a later date. As a result of the deemed receipt of such an obligation, a Colonial LP unitholder may be deemed to receive (or otherwise be required to accrue) interest for U.S. federal income tax purposes, and any such interest would be taxable at ordinary income rates rather than the reduced rates generally applicable to long-term capital gain.

If a disguised sale of a portion of Colonial LP s assets were deemed to occur, Colonial LP would recognize gain or loss with respect to the portion sold, based on the difference between Colonial LP s adjusted tax basis in such portion and the disguised sale consideration allocable to such portion (generally calculated separately for each asset). Any such gain or loss would be allocated among the Colonial LP unitholders at the time of the partnership merger (taking into account any book-tax differences under the principles discussed below under Tax Consequences of Ownership of MAA LP Units after the Partnership Merger Tax Allocations with Respect to Book-Tax Differences on Contributed Properties).

Distribution of Marketable Securities. Under Code Section 731, a Colonial LP unitholder could recognize gain or loss on the deemed distribution of MAA LP units by Colonial LP in the partnership merger if MAA LP units are considered marketable securities unless specified conditions are met. MAA LP units could be considered to be marketable securities because they are readily convertible into publicly traded shares of MAA common stock or cash in accordance with the unit redemption rights of MAA LP unitholders.

However, Treasury Regulations under Code Section 731(c), as applied to the partnership merger, provide that a distribution of marketable securities will not be taxable under that section if:

MAA LP units are acquired by Colonial LP in the partnership merger and the receipt of such units by Colonial LP in the partnership merger qualifies as a nonrecoginition transaction for MAA LP and Colonial LP, which is expected, for these purposes, to be the case;

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the value at the time of the partnership merger of any securities and money of Colonial LP that are contributed to MAA LP in the partnership merger is less than 20% of the value of all the assets contributed by Colonial LP to MAA LP in the partnership merger, which will be the case; and

Colonial LP distributes MAA LP units to its unitholders within five years after the partnership merger, which will be the case.

Accordingly, MAA LP and Colonial LP believe that the distribution of MAA LP units in the partnership merger should not be treated as a taxable distribution of marketable securities under Code Section 731(c).

Section 465(e) Recapture. Under Code Section 465, a taxpayer s ability to use losses to offset taxable income is limited by rules that are referred to as the at-risk rules. See Tax Consequences of Ownership of MAA LP Units After the Partnership Merger Limitations on Deductibility of Losses; Treatment of Passive Activities below. In addition, the at-risk rules may require a taxpayer to recapture losses that were previously used by the taxpayer with respect to an activity if the taxpayer s at-risk amount for the activity falls below zero at the close of the taxable year. Losses are recaptured by including the amount of the losses previously used by the taxpayer in the taxpayer s taxable income for the year of the recapture.

The identification and scope of an activity and the calculation of the at-risk amount under the at-risk rules are highly complex and can involve uncertainties. Generally, a taxpayer s at-risk amount for an activity is the amount of the taxpayer s investment in the activity, which is increased by the taxpayer s income from the activity and the taxpayer s share of any partnership liabilities for which the taxpayer is personally liable for repayment and any qualified nonrecourse financing, as defined in Code Section 465(b)(6), with respect to the activity, and reduced by the taxpayer s losses and distributions from the activity. It is possible that the partnership merger and/or the repayment or refinancing of outstanding indebtedness of Colonial LP, either at the time of or following the partnership merger, could cause a Colonial LP unitholder s at-risk amount in an activity to be reduced below zero, which could, in turn, cause the Colonial LP unitholder to recognize taxable income as a result of the Code Section 465(e) recapture provisions. The definition of qualified nonrecourse financing is different from, and sometimes more restrictive than, the definition of nonrecourse liabilities for purposes of determining adjusted tax basis, discussed above. It is, therefore, possible that a former Colonial LP unitholder could incur a reduction in its share of qualified nonrecourse financing that causes it to recognize taxable income under the Code Section 465(e) recapture rules even if the unitholder does not have a reduction in its nonrecourse liabilities that causes it to recognize gain as the result of a deemed cash distribution in excess of basis as described above. Moreover, courts have held that certain risk-shifting arrangements, such as deficit restoration obligations, that may attract a share of recourse liabilities under Code Section 752 do not give rise to at-risk amounts. Because at-risk amounts are determined separately for each activity, the scope of which is uncertain, the partnership merger also could result in a former Colonial LP unitholder receiving allocations of liabilities with respect to different at-risk activities as compared to prior to the partnership merger, resulting the unitholder s at-risk amount with respect to a particular activity falling below zero even if the unitholder s aggregate at-risk amount is positive.

Effect of Subsequent Events

Even if a U.S. Holder of Colonial LP units or a continuing MAA LP unitholder is not required to recognize gain at the time of the partnership merger, subsequent events could cause the U.S. Holder to recognize part or all of the unitholder s unrealized gain that is not recognized at the time of the partnership merger. See Tax Consequences of Ownership of MAA LP Units after the Partnership Merger below. Subsequent events that could cause the recognition of deferred gain to a former Colonial LP unitholder or continuing MAA LP unitholder include:

the sale of individual properties by MAA LP, particularly those with respect to which the former Colonial LP unitholder or continuing MAA LP unitholder had deferred gain even before the partnership merger (i.e., in a contribution of such properties to Colonial LP or MAA LP, as applicable, for partnership units), as discussed under Summary of the Material U.S. Federal Income Tax Consequences of the Partnership Merger to Colonial LP Unitholders above and Tax Consequences of

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Ownership of MAA LP Units after the Partnership Merger Tax Allocations with Respect to Book-Tax Differences on Contributed Properties below;

a distribution by MAA LP (including in connection with a liquidation of MAA LP) to one or more unitholders within seven years following the partnership merger of non-cash property held by Colonial LP at the time of the partnership merger with respect to which gain was deferred, either at the time a former Colonial LP unitholder contributed the property to Colonial LP or at the time of the partnership merger, or a distribution by MAA LP (including in connection with a liquidation of MAA LP) of non-cash property previously contributed to MAA LP by a continuing MAA LP unitholder within seven years of such contribution, as discussed under Tax Consequences of Ownership of MAA LP Units after the Partnership Merger Distributions of Property below;

a distribution by MAA LP (including in connection with a liquidation of MAA LP) to a former Colonial LP unitholder of non-cash property within seven years following the partnership merger, or a distribution by MAA LP (including in connection with a liquidation of MAA LP) to a continuing MAA LP unitholder of non-cash property within seven years following that unitholder s contribution of property to MAA LP, as discussed in Tax Consequences of Ownership of MAA LP Units after the Partnership Merger Distributions of Property below;

a distribution by MAA LP to a unitholder of cash or marketable securities in excess of the unitholder s adjusted tax basis in its MAA LP units, as discussed in Tax Consequences of Ownership of MAA LP Units after the Partnership Merger Distributions of Property and Treatment of MAA LP Distributions below;

a reduction in an MAA LP unitholder s share of MAA LP liabilities or at-risk amounts, as discussed in Tax Consequences of Ownership of MAA LP Units after the Partnership Merger Treatment of MAA LP Distributions and Limitations on Deductibility of Losses; Treatment of Passive Activities below;

the effect of the possible application by MAA LP of a method other than the traditional method for eliminating the book-tax difference with respect to former Colonial LP properties, which such other method generally could result in more income (or less expense) being allocated, for U.S. federal income tax purposes, to former Colonial LP unitholders than such unitholders received from Colonial LP prior to the partnership merger, as discussed in Tax Consequences of Ownership of MAA LP Units after the Partnership Merger Tax Allocations with Respect to Book-Tax Differences on Contributed Properties below.

A former Colonial LP unitholder or continuing MAA LP unitholder, however, may be able to use any passive losses or passive loss carry forwards to offset any unrealized gain that it must recognize, subject to any applicable passive loss or other loss limitations, including special passive loss limitations that would apply if MAA LP were to be classified as a publicly traded partnership for U.S. federal income tax purposes. See Tax Consequences of Ownership of MAA LP Units after the Partnership Merger Limitations on Deductibility of Losses; Treatment of Passive Activities below.

Tax Consequences of Ownership of MAA LP Units after the Partnership Merger

This section summarizes the U.S. federal income tax consequences of ownership of units in MAA LP that are expected to be material to a U.S. Holder, but does not purport to be a complete summary of all of the potential tax consequences of ownership of MAA LP units, which are complex and dependent on both the activities of MAA LP and each unitholder s individual circumstances.

Income and Deductions in General. Each MAA LP unitholder will be required to report on its income tax return its allocable share of income, gains, losses, deductions and credits of MAA LP as determined for U.S. federal income tax purposes. Each MAA LP unitholder will be required to include these items on its U.S. federal

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income tax return even if the unitholder has not received any cash distributions from MAA LP. For each taxable year, MAA LP is required to furnish to each MAA LP unitholder a Schedule K-1 that sets forth the unitholder s allocable share of any income, gains, losses, deductions and credits of MAA LP. So long as MAA LP is treated as a partnership for U.S. federal income tax purposes, MAA LP generally is not itself required to pay any U.S. federal income tax. Following the partnership merger, MAA LP will allocate items of income, gain, loss and deduction in accordance with the amended and restated MAA LP limited partnership agreement as described in Allocations of MAA LP Income, Gain, Loss, and Deductions below.

Treatment of MAA LP Distributions. Subject to the discussion above in Summary of the Material U.S. Federal Income Tax Consequences of the Partnership Merger to Colonial LP Unitholders and Tax Consequences of the Partnership Merger to U.S. Holders of Colonial LP Units that Receive MAA LP Units, distributions of money by MAA LP to an MAA LP unitholder, including deemed distributions that result from a reduction in the unitholder s share of MAA LP liabilities, generally will result in taxable gain to the unitholder only if and to the extent that the distribution exceeds the unitholder s basis in its MAA LP units immediately before the distribution. An actual or deemed distribution of money (whether or not in excess of basis) may give rise to ordinary income if the distribution or deemed distribution is accompanied by a reduction in the MAA LP unitholder s share of certain ordinary income assets of MAA LP.

Any reduction in an MAA LP unitholder s share of MAA LP s liabilities, whether through repayment, refinancing with recourse liabilities, refinancing with nonrecourse liabilities secured by the other properties as to which the unitholder does not have Section 704(c) minimum gain, or otherwise, will constitute a deemed distribution of money to the unitholder. In addition, an issuance of additional units by MAA LP (including to MAA) without a corresponding increase in MAA LP s nonrecourse liabilities could decrease an MAA LP unitholder s share of MAA LP nonrecourse liabilities, resulting in a deemed distribution of money to an MAA LP unitholder. Under such rules, the refinancing, repayment or other reduction in the amount of any debt secured by individual properties (or treated as such for purposes of Code Section 752), particularly those properties held by Colonial LP and with respect to which a former Colonial LP unitholder had deferred gain even before the partnership merger or which were contributed to MAA LP by a continuing MAA LP unitholder, or the refinancing, repayment or other reduction in the amount of any debt with respect to which MAA LP unitholder has in place a guarantee or indemnity, could reduce the unitholder s share of MAA LP s liabilities. An MAA LP unitholder s share of MAA LP s liabilities also would decrease upon the lapse or termination of a guarantee, indemnity or deficit restoration obligation that supported an allocation of MAA indebtedness or if such arrangement were not respected for U.S. federal income tax purposes. An MAA LP unitholder s share of MAA LP liabilities also could be reduced due to an increase in the adjusted tax basis of property with respect to which the MAA LP unitholder has a deferred gain, whether as a result of capital expenditures or otherwise, or the elimination of book-tax differences between the current adjusted tax bases of MAA LP properties (including former Colonial LP properties) and the book values of the properties, see Tax Consequences of Ownership of MAA LP Units After the Partnership Merger Tax Allocations with Respect to Book-Tax Differences on Contributed Properties, which has the effect of reducing the amount of indebtedness allocable to the affected unitholder for tax basis purposes.

Generally, the maximum amount of gain that any MAA LP unitholder (including a former Colonial LP unitholder) could recognize as a result of a reduction in liabilities is its negative tax capital account. Reductions in an MAA LP unitholder s share of liabilities also could result in at-risk recapture. MAA LP cannot guarantee that a future refinancing will not result in a reduction of the liabilities allocated to the former Colonial LP unitholders or other MAA LP unitholders, causing the affected MAA LP unitholders to recognize taxable gain or at-risk recapture. Notwithstanding the foregoing, as described above, under the amended and restated MAA LP limited partnership agreement, if MAA, in its capacity as general partner of MAA LP, decides to refinance (directly or indirectly) any outstanding indebtedness of MAA LP, MAA must use reasonable efforts to structure such refinancing in a manner that minimizes any adverse tax consequences therefrom to the limited partners of MAA LP. See Summary of the Material U.S. Federal Income Tax Consequences of the Partnership Merger to Colonial LP Unitholders.

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The general treatment of actual or deemed distributions described above would not apply to any actual or deemed distribution that was treated as part of disguised sale with respect to property previously contributed by the MAA LP unitholder to MAA LP or Colonial LP, as applicable, under the rules discussed under Tax Consequences of the Partnership Merger to U.S. Holders of Colonial LP Units that Receive MAA LP Units Disguised Sale above.

Distributions of Property. A distribution of property other than money by MAA LP to its unitholders ordinarily does not result in the recognition of gain or loss by either MAA LP or the unitholder unless the property is a marketable security for purposes of Code Section 731(c) and the exceptions to the requirement for recognition of gain do not apply. Marketable securities, for these purposes, include actively traded securities or equity interests in another entity that are readily convertible into or exchangeable for money or marketable securities. In that event, the property would be treated as money and the unitholder would recognize gain, but not loss, to the extent described above. There can be no assurance that MAA LP will not make distributions of property that are considered marketable securities or that an exception to the gain recognition requirement would apply to any such distribution.

In the case of non-cash property contributed by one partner and which is distributed to another partner within seven years of when the property was contributed to the partnership, Code Section 704(c)(1)(B) generally requires that the partner who contributed that property to the partnership recognize any gain that existed, but was deferred, for U.S. federal income tax purposes with respect to the property at time of the contribution. Similarly, Code Section 737 generally requires the recognition of a contributing partner s deferred gain upon the distribution to that partner of other partnership property within seven years of when that partner contributed appreciated property to the partnership.

Under these rules, a former Colonial LP unitholder who contributed property to Colonial LP, or a continuing MAA LP unitholder who contributed property to MAA LP, could recognize gain that is attributable to the unamortized built-in gain that existed at the time the property was contributed to Colonial LP or MAA LP (as the case may be) under either of these provisions if, within seven years of when the contributing unitholder originally contributed the property to Colonial LP or MAA LP, as applicable, MAA LP either distributes that contributed property to one or more other MAA LP unitholders or distributes any other property to that contributing unitholder. Similarly, gain that is deferred at the time of the partnership merger with respect to appreciated assets of Colonial LP that are deemed contributed to MAA LP in the partnership merger (which in the case of a property contributed to Colonial LP, is in excess of the unamortized built-in gain that existed at the time the property was contributed to Colonial LP) would be recognized and allocated to the former Colonial LP unitholders if any of those former Colonial LP properties are distributed by MAA LP within seven years after the partnership merger or if MAA LP distributes other properties to the former Colonial LP unitholders. These rules apply even in connection with a liquidating distribution by MAA LP.

Initial Basis of Units. In general, a Colonial LP unitholder who acquires MAA LP units in the partnership merger generally will have an initial basis in its MAA LP units equal to its basis in its Colonial LP units, adjusted to reflect the effects of the partnership merger. A Colonial LP unitholder s basis in its Colonial LP units will be adjusted upward or downward to reflect any increase or decrease, respectively, in the unitholder s share of Colonial LP liabilities compared to the unitholder s share of MAA LP liabilities immediately after the partnership merger. For a discussion of the rules applicable to the determination of whether a Colonial LP unitholder has experienced a reduction in its share of partnership liabilities, see Tax Consequences of the Partnership Merger to U.S. Holders of Colonial LP Units That Receive MAA LP Units Reduction in Share of Partnership Liabilities/Deemed Cash Distribution above. A continuing MAA LP unitholder s tax basis in its MAA LP units generally will be the same as its adjusted tax basis in its old MAA LP units immediately prior to the adoption of the amended and restated MAA LP limited partnership agreement, similarly adjusted upward or downward to reflect such increases or decreases, respectively, in its respective share of MAA LP liabilities as a result of the partnership merger.

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An MAA LP unitholder s initial basis in its MAA LP units generally will be increased by the unitholder s share of:

- MAA LP taxable and tax-exempt income;
- any increases in nonrecourse liabilities incurred by MAA LP; and
- recourse liabilities to the extent MAA LP unitholder elects to take on a deficit restoration obligation or otherwise incurs the risk of loss with respect to those liabilities, whether through a guarantee or indemnification agreement or otherwise.

Generally, an MAA LP unitholder s initial basis in its units thereafter will be decreased, but not below zero, by the unitholder s share of:

- MAA LP distributions;
- decreases in liabilities of MAA LP, including any decrease in its share of the nonrecourse liabilities of MAA LP and any recourse liabilities for which it is considered to bear the economic risk of loss;
- losses of MAA LP; and
- nondeductible expenditures of MAA LP which are not chargeable to capital.

Allocations of MAA LP Income, Gain, Loss and Deductions. Under the amended and restated MAA LP limited partnership agreement to be adopted as of the partnership merger effective time, the capital accounts of the partners of MAA LP will be revalued as of the partnership merger effective time such that capital account of each common unitholder shall equal the product of the respective percentage ownership interest in common units of each such common unitholder and the net asset value of MAA LP (as determined by the general partner). Thereafter, under the amended and restated MAA LP limited partnership agreement, net losses generally will be allocated first among the common unitholders in proportion to their respective percentage ownership interests in common units and second to preferred unitholders, if any, in proportion to their respective percentage ownership interests in preferred units. However, a holder of MAA LP units will not be allocated net losses that would have the effect of creating a deficit balance in its capital account, as specially adjusted for such purpose, which losses are referred to as excess losses. Excess losses will be allocated to MAA LP unitholders who have deficit restoration obligations in proportion to and to the extent of their respective deficit restoration obligations; and thereafter, to MAA.

After the revaluation of the capital accounts of common unitholders, described above, under the amended and restated MAA LP limited partnership agreement, net income generally will be allocated first to MAA to the extent that MAA has previously been allocated losses. Second, net income generally will be allocated proportionately to unitholders who have deficit restoration obligations in an amount equal to the cumulative net losses allocated to such unitholders with respect to their deficit restoration obligations. Third, net income generally will be allocated to preferred unitholders, if any, in an amount equal to the cumulative net losses allocated to such unitholders. Fourth, net income generally will be allocated to common unitholders in an amount equal to the cumulative net losses allocated to such unitholders. Finally, any remaining net income generally shall be allocated in proportion to the respective common unit percentage ownership interests.

Under Code Section 704(b), a partnership s allocation of any item of income, gain, loss or deduction to a partner will be given effect for U.S. federal income tax purposes so long as it has substantial economic effect, or is otherwise in accordance with the partner s interest in the partnership. If an allocation of an item does not satisfy this standard, it will be reallocated among the partners on the basis of their respective interests in the partnership, taking into account all facts and circumstances. MAA LP believes that the allocations of items of income, gain, loss and deduction under the partnership agreement, as described above, will be considered to have substantial economic effect, or otherwise will be in accordance with the partners interests in the partnership, under the applicable Treasury Regulations.

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Tax Allocations with Respect to Book-Tax Differences on Contributed Properties. Under Code Section 704(c), income, gain, loss and deductions attributable to appreciated or depreciated property that is contributed to a partnership must be allocated for U.S. federal income tax purposes in a manner such that the contributor is charged with, or benefits from, the unrealized gain or unrealized loss associated with the property at the time of contribution. The amount of unrealized gain or unrealized loss generally is equal to the difference between the fair market value of the contributed property at the time of contribution and the adjusted tax basis of the property at the time of contribution, which is referred to as the book-tax difference. A book-tax difference also can exist with respect to an asset that has not appreciated or depreciated in economic terms if that asset has been depreciated for tax purposes. At the time of the partnership merger, a substantial book-tax difference is likely to exist with respect to the assets owned by Colonial LP, particularly those that Colonial LP previously acquired in exchange for its units. These allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners or members.

Similar tax allocations are required with respect to the book-tax differences in the assets owned by a partnership when additional assets (including cash) are contributed in exchange for a new partnership interest. In that regard, the amended and restated MAA LP limited partnership agreement provides for a revaluation of the capital accounts of the MAA LP unitholders as of the partnership merger effective time, and thus substantial book-tax differences also are likely to exist with respect to MAA LP s as of the partnership merger effective time. See Allocations of MAA LP Income, Gain, Loss, and Deductions above.

The partnership agreement of MAA LP requires allocations of income, gain, loss and deductions attributable to the properties with respect to which there is book-tax difference be made in a manner that is consistent with Code Section 704(c). Treasury Regulations under Code Section 704(c) require partnerships to use a reasonable method for allocation of items affected by Code Section 704(c).

If an asset that is acquired from Colonial LP in the partnership merger is sold after the partnership merger, gain equal to any book-tax difference existing immediately after the partnership merger and remaining at the time of such sale must be allocated exclusively to the former Colonial LP unitholders, even though the distributable proceeds of the sale will be allocated proportionately among all MAA LP unitholders; conversely, no gain attributable to any book-tax difference of an asset of MAA LP at the time of the partnership merger which remains at the time of a sale will be allocated to the former Colonial LP unitholders.

The amount of gain allocated by MAA LP to specific former Colonial LP unitholders with respect to former Colonial LP assets, or to specific continuing MAA LP unitholders with respect to assets held by MAA LP prior to the partnership merger, would depend upon a number of variables, including the book-tax difference that existed with respect to such assets before the partnership merger; the Code Section 704(c) method that MAA LP elects for the asset in question; whether the former Colonial LP unitholder owns units issued in exchange for the contribution of that asset to Colonial LP or the continuing MAA LP unitholder owns units issued in exchange for the contribution of that asset to MAA LP; the amount of the additional book-tax difference that was created as a result of the partnership merger with respect to the asset; and the amount of the book-tax difference with respect to that asset that has been amortized since the partnership merger and before the sale of the asset through the special allocations of depreciation deductions described above.

Similar rules will apply with respect to any book-tax differences arising after the partnership merger (e.g., due to post-partnership merger contributions of property to MAA LP or revaluations of the capital accounts of MAA LP).

As described above, under the amended and restated MAA LP limited partnership agreement, in deciding whether or not to dispose of any property that represents more than 1% of MAA s total assets, MAA must consider in good faith the income tax consequences of such disposition for both itself and the limited partners of MAA LP. See Summary of the Material U.S. Federal Income Tax Consequences of the Partnership Merger to Colonial LP Unitholders above.

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In this regard, MAA LP could sell some or all of the properties that Colonial LP or MAA LP currently holds. There can be no assurance that such dispositions will be undertaken as like-kind exchanges under Section 1031 of the Code that do not result in the recognition of any taxable gain. More specifically, to the extent that MAA LP recognizes gain for U.S. federal income tax purposes in connection with a disposition of Colonial LP properties following the partnership merger, the former Colonial LP unitholder(s) who contributed a property to Colonial LP that is sold after the partnership merger will be allocated, for U.S. federal income tax purposes, the portion of the gain from any such sale that is attributable to the unamortized built-in gain that existed at the time the property was contributed to Colonial LP. Moreover, the former Colonial LP unitholders as a group (including MAA as the successor to Colonial) may be required to be allocated, for U.S. federal income tax purposes, the portion of the gain from any such sale that is attributable to the unamortized built-in gain that existed at the time of the partnership merger, less the unamortized built-in gain attributable to the original contributing Colonial LP unitholders, if any, described in the preceding sentence. Similarly, gain recognized upon the sale of a property contributed to MAA LP by a continuing MAA LP unitholder would be allocated to the contributing unitholder to extent of any unamortized built-in gain that existed as of the contribution. The continuing MAA LP unitholders as a group may be required to be allocated, for U.S. federal income tax purposes, the portion of the gain from any sale of a property held by MAA LP prior to the partnership merger that is attributable to the unamortized built-in gain that existed at the time of the partnership merger, less the unamortized built-in gain attributable to the original contributing MAA LP unitholders, if any, in the case of a property originally contributed to MAA LP. The amount of such allocations may vary depending on, and the treatment of the unrealized gain in the absence of a sale, will depend on, the method(s) that MAA LP elects to use to eliminate book-tax differences existing at the time of the partnership merger with respect to former Colonial LP properties and MAA LP properties prior to the partnership merger.

A former Colonial LP unitholder or other MAA LP unitholder that receives a disproportionate allocation of gain upon a sale of a property under the above rules would not be entitled to any special disproportionate distributions from MAA LP in connection with the sale, and thus may not receive cash distributions from MAA LP sufficient to pay their additional taxes if MAA LP sells such property.

Liquidation of MAA LP. If MAA LP liquidates and dissolves, a distribution of MAA LP property other than money generally will not result in taxable gain to an MAA LP unitholder, except to the extent provided in Code Sections 707(a), 737, 704(c)(1)(B) and 731(c). See Distributions of Property above. The basis of any property distributed to an MAA LP unitholder will equal the adjusted basis of the unitholder s MAA LP units, reduced by any money distributed in liquidation. A distribution of money upon the liquidation of MAA LP, however, will be taxable to an MAA LP unitholder to the extent that the amount of money distributed in liquidation (including any deemed distributions of cash as a result of a reduction in the unitholder s share of partnership liabilities) exceeds the unitholder s tax basis in its MAA LP units. If MAA issued its shares of beneficial interest to MAA LP unitholders upon the liquidation of MAA LP, it is likely that each MAA LP unitholder would be treated as if it had exchanged its MAA LP units for shares of MAA common stock and the unitholder would recognize gain or loss as if its MAA LP units were sold in a fully taxable exchange. See Redemptions of MAA LP Units below.

Limitations on Deductibility of Losses; Treatment of Passive Activities. Generally, individuals, estates, trusts and some closely held corporations and personal service corporations can deduct losses from passive activities only to the extent that those losses do not exceed the taxpayer s income from passive activities. Generally, passive activities are activities which include the conduct of a trade or business and in which the taxpayer does not materially participate, which would include the ownership of interests in MAA LP.

If MAA LP were a publicly traded partnership, but was not taxed as a corporation for U.S. federal income tax purposes because it was to satisfy the 90% qualifying income requirement, described above, holders of MAA LP units would be subject to special passive loss rules applicable to publicly traded partnerships. In particular, if MAA LP were a publicly traded partnership, an MAA LP unitholder would be unable to offset the unitholder s share of MAA LP income and gains with passive losses from other passive activities other than the unitholder s investment in MAA LP. Similarly, MAA LP losses allocable to an MAA LP unitholder could be used only to

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offset the unitholder s allocable share of MAA LP income and gains and not to offset income and gains from other passive activities. For a more detailed discussion of MAA LP s possible classification as a publicly traded partnership, see Partnership Tax Status of MAA LP and Colonial LP above.

In addition, an MAA LP unitholder may not deduct its share of any MAA LP losses to the extent that those losses exceed the lesser of:

- the adjusted tax basis of its MAA LP units at the end of MAA LP s taxable year in which the loss occurs; and
- the amount for which such unitholder is considered at-risk at the end of that year (as determined separately for each at-risk activity).

In general, assuming the unitholder s investment in MAA LP constitutes a single at-risk activity, an MAA LP unitholder should be at-risk to the extent of its adjusted basis in its MAA LP units, except to the extent that the unitholder acquired its units using nonrecourse debt. For these purposes, however, a unitholder s adjusted basis in its MAA LP units will include only the unitholder s share of MAA LP s nonrecourse liabilities, as determined under Section 752 of the Code, that are considered qualified nonrecourse financing for purposes of these at-risk rules. In that regard, there can be no assurance that the Internal Revenue Service might not successfully contend that some or all of the debt secured by MAA LP s properties is not qualified nonrecourse financing. In addition, there can be no assurance that MAA LP will not repay some or all of its qualified nonrecourse financing in the future with proceeds from equity offerings or proceeds of debt financings that do not constitute qualified nonrecourse financing. Moreover, as noted above, a court has held that deficit restoration obligations do not increase at-risk amounts.

After the partnership merger, an MAA LP unitholder s at-risk amount generally will increase or decrease as the adjusted tax basis in its MAA LP units increases or decreases, except for increases or decreases attributable to MAA LP liabilities that do not constitute qualified nonrecourse financing. If an MAA LP unitholder is not allowed to use losses in a particular taxable year because of basis limitations or the application of the at-risk rules, the losses can be carried forward and may be used by the unitholder to offset income in a subsequent year to the extent that the unitholder s adjusted basis or at-risk amount, whichever was the limiting factor, is increased in that subsequent year.

The at-risk rules apply to:

- an individual unitholder;
- an individual shareholder or partner, respectively, of a unitholder that is an S corporation or partnership; and
- a unitholder that is a corporation if 50% or more of the value of that corporation s stock is owned, directly or indirectly, by five or fewer individuals at any time during the last half of the taxable year.

The application of the at-risk rules is highly complex and can involve uncertainties. For instance, at-risk amounts are determined with respect to each separate activity, and the determination as to whether a particular investment (such as an investment in MAA LP units) constitutes one or several activities may not be entirely certain. In addition, the deductibility of losses may be limited by other provisions of U.S. federal income tax law. Unitholders should consult their own tax advisers regarding application in their particular circumstances of the passive activity loss rules, the at-risk rules and any other loss-limitation rules to their investment in MAA LP.

Disposition of MAA LP Units. If an MAA LP unit is sold, transferred as a gift or otherwise disposed of, gain or loss from the disposition will be based on the difference between the amount realized on the disposition and the basis attributable to the MAA LP unit that is disposed of. The amount realized on the disposition of a unit generally will equal the sum of:

- any cash received;

the fair market value of any other property received; and

the amount of MAA LP liabilities allocated to the unit.

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A unitholder will recognize gain on the disposition of an MAA LP unit to the extent that the amount realized exceeds the unitholder s basis for MAA LP unit. Because the amount realized includes any amount attributable to the relief from MAA LP liabilities attributable to the unit, a unitholder could have taxable income, or perhaps even a tax liability, in excess of the amount of cash and property received upon the disposition of the unit.

Generally, gain recognized on the disposition of an MAA LP unit will be capital gain. However, any portion of MAA LP unitholder s amount realized on the disposition of a unit that is attributable to certain ordinary income assets will give rise to ordinary income. Such ordinary income assets include, to the extent not previously included in MAA LP s income, any rights to payment for services rendered or to be rendered. Such assets also include amounts attributable to prior depreciation deductions that would be subject to recapture as ordinary income if MAA LP had sold its assets at their fair market value at the time of the redemption.

For individuals, trusts, and estates, net capital gain from the sale of an asset held one year or less is subject to tax at the applicable rate for ordinary income. For these taxpayers, the maximum rate of tax on the net capital gain from a sale or exchange of an asset held for more than one year generally is 20%. However, a 25% rate applies to the extent that proceeds are attributable to the sale of depreciable real property with respect to which prior depreciation deductions were not otherwise recaptured as ordinary income under other depreciation recapture rules. The applicable Treasury Regulations apply the 25% rate to a sale of an interest in a partnership to the extent of the 25% rate gain that would be realized by such partnership on the hypothetical sale of the assets of such partnership for their respective fair market values immediately prior to the actual sale of partnership interests and allocated to the partner to the extent attributable to the partnership interest sold. Note that the application of these rules could cause a unitholder to realize a gain with respect to depreciation recapture in an amount in excess of its overall tax gain with respect to the sale of MAA LP units, which would result in an offsetting capital loss corresponding to such excess. Unitholders should consult their own tax advisors regarding the application of the 25% rate to a sale of MAA LP units.

Redemptions of MAA LP Units. If an MAA LP unitholder exercises its unit redemption right, MAA has the right under the partnership agreement of MAA LP to acquire the unitholder s MAA LP units in exchange for cash or shares of MAA common stock. However, MAA is under no obligation to exercise this right. If MAA does elect to acquire a unitholder s MAA LP units in exchange for cash or shares of MAA common stock, the transaction will be a fully taxable sale to the unitholder. The amount realized by a unitholder on this kind of disposition of an MAA LP unit will equal the sum of:

- any cash received;
- the fair market value, at the time of disposition, of any shares of MAA common stock received; and
- the amount of MAA LP liabilities allocated to the unit exchanged.

The unitholder s taxable gain and the tax consequences of that gain would be determined as described under Disposition of MAA LP Units above.

If MAA, as the general partner of MAA LP, does not elect to acquire an MAA LP unitholder s units in exchange for cash or shares of MAA common stock, MAA LP is required to redeem those MAA LP units for cash. If MAA LP redeems MAA LP units for cash contributed by MAA in order to effect the redemption, the redemption likely will be treated as a sale of MAA LP units to MAA in a fully taxable transaction, although the matter is not free from doubt. Under these circumstances, the redeeming unitholder s amount realized will equal the sum of:

- the cash received; and
- the amount of MAA LP liabilities allocated to the unit redeemed.

The unitholder s taxable gain and the tax consequences of that gain would be determined as described under Disposition of MAA LP Units above.

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If an MAA LP unit is redeemed for cash that is not contributed by MAA (or another MAA LP partner) to effect the redemption, the unitholder s tax treatment generally will depend upon whether or not the redemption results in a disposition of all of the unitholder s MAA LP units. If all of the unitholder s MAA LP units are redeemed, the unitholder s taxable gain and the tax consequences of that gain generally will be determined as described under Disposition of MAA LP Units above (except that the 25% rate applicable to unrecaptured depreciation deductions generally will not apply). However, if less than all of a unitholder s MAA LP units are redeemed, the unitholder will not be allowed to recognize loss on the redemption and will recognize taxable gain only if and to the extent that the unitholder s amount realized on the redemption, calculated as described above, exceeds the unitholder s basis in all of its MAA LP units immediately before the redemption.

Tax Elections and Certain Other Tax Matters. MAA, as general partner of MAA LP, may determine in its sole and absolute discretion whether to make any available election under the Code in respect of MAA LP, and may revoke any such election if, in its sole and absolute discretion, it determines that such revocation is in the best interest of all of the partners of MAA LP (including the general partner).

Under the amended and restated MAA LP limited partnership agreement, subject to any separate agreements with or for the benefit of any direct or indirect holders of MAA LP units (including those which have been incorporated into the amended and restated MAA LP limited partnership agreement), MAA, as general partner of MAA LP, may, but shall be under no obligation to, take into account the tax consequences to any holder of MAA LP units. Notwithstanding the foregoing, under the amended and restated MAA LP limited partnership agreement, if MAA, as general partner of MAA LP, decides to refinance (directly or indirectly) any outstanding indebtedness of MAA LP, MAA must use reasonable efforts to structure such refinancing in a manner that minimizes any adverse tax consequences therefrom to the limited partners of MAA LP. In addition, under the amended and restated MAA LP limited partnership agreement, in deciding whether or not to dispose of any property that represents more than 1% of MAA s total assets, MAA must consider in good faith the income tax consequences of such disposition for both itself and the limited partners of MAA LP. Nonetheless, the amended and restated MAA LP limited partnership agreement also will provide that, except as may be set forth in a separate written agreement between a limited partner and MAA (and/or MAA LP, as applicable) or otherwise expressly provided in the amended and restated MAA LP limited partnership agreement, neither MAA, as general partner of MAA LP, nor MAA LP shall have liability to a limited partner under any circumstances as a result of an income tax liability incurred by such limited partner as a result of an action (or inaction) by MAA, as general partner of MAA LP, pursuant to its authority under such agreement.

Partnership Audit Procedures. The U.S. federal income tax information returns filed by MAA LP may be audited by the Internal Revenue Service. The Code contains partnership audit procedures governing the manner in which Internal Revenue Service audit adjustments of partnership items are resolved. Unless and until MAA LP elects to be treated as an electing large partnership, it is and will continue to be subject to audit rules under the Tax Equity and Fiscal Responsibility Act of 1982, which is referred to as TEFRA. See Possible Future Election by MAA LP to be Treated as an Electing Large Partnership below.

Partnerships generally are treated as separate entities for purposes of federal tax audits, judicial review of adjustments by the Internal Revenue Service and tax settlement proceedings. The U.S. federal income tax treatment of partnership items of income, gain, loss, deduction and credit is determined at the partnership level in a unified partnership proceeding, rather than in separate proceedings with each partner. The Code provides for one partner to be designated as the tax matters partner for these purposes. Pursuant to the amended and restated MAA LP limited partnership agreement, MAA is the tax matters partner for MAA LP.

The tax matters partner is authorized, but not required, to take some actions on behalf of MAA LP and the unitholders and can extend the statute of limitations for assessment of tax deficiencies against MAA LP unitholders with respect to MAA LP items. The tax matters partner will make a reasonable effort to keep each unitholder informed of administrative and judicial tax proceedings with respect to MAA LP items in accordance with Treasury Regulations issued under Code Section 6223. In connection with adjustments to MAA LP tax returns proposed by the Internal Revenue Service, the tax matters partner may bind any unitholder with less than

a 1% profits interest in MAA LP to a settlement with the Internal Revenue Service unless the unitholder elects not to give that authority to the tax matters partner by filing a statement to that effect with the Internal Revenue Service. The tax matters partner may seek judicial review, to which all unitholders will be bound, of a final MAA LP administrative adjustment. If the tax matters partner fails to seek judicial review, such review may be sought by any unitholder having at least a 1% interest in the profits of MAA LP and by unitholders having, in the aggregate, at least a 5% profits interest. Only one judicial proceeding will go forward, however, and each unitholder with an interest in the outcome may participate.

Unitholders will generally be required to treat MAA LP items on their U.S. federal income tax returns in a manner consistent with the treatment of the items on MAA LP information returns. In general, that consistency requirement is waived if a unitholder files a statement with the Internal Revenue Service identifying the inconsistency. Failure to satisfy the consistency requirement, if not waived, will result in an adjustment to conform the treatment of the item by the unitholder to the treatment on MAA LP information returns. Even if the consistency requirement is waived, adjustments to the unitholder s tax liability with respect to MAA LP items may result from an audit of MAA LP s or the unitholder s tax return. Intentional or negligent disregard of the consistency requirement may subject a unitholder to substantial penalties. In addition, an audit of MAA LP information returns may also lead to an audit of an individual unitholder s tax return, which could result in adjustment of non-partnership items.

Possible Future Election by MAA LP to be Treated as an Electing Large Partnership. MAA LP has not yet elected, but could elect in the future, to be treated as an electing large partnership for U.S. federal tax purposes. This election, if made, would reduce the number of items that must be separately stated on the Internal Revenue Service Schedules K-1 that are issued to holders of operating partnership units, and such Schedules K-1 would have to be provided on or before the first March 15 following the close of each taxable year. An MAA LP unitholder would be required to treat all items consistently with their treatment on the Schedule K-1 issued to the unitholder by MAA LP and would have limited rights in connection with audits and tax proceedings with respect to MAA LP. In addition, this election would prevent MAA LP from suffering a technical termination (which would close MAA LP s taxable year) if within a 12-month period there is a sale or exchange of 50% or more of its total interests. If MAA LP makes such an election, Internal Revenue Service audit adjustments will flow through to MAA LP unitholders for the year in which such adjustments take effect rather than the year to which the adjustments relates. In addition, MAA LP, rather than MAA LP unitholders individually, generally will be liable for any interest and penalties (on a nondeductible basis) that result from such audit adjustment.

Alternative Minimum Tax on Items of Tax Preference. The Code contains alternative minimum tax rules that are applicable to corporate and noncorporate taxpayers. MAA LP will not be subject to the alternative minimum tax, but MAA LP unitholders are required to take into account on their own tax returns their respective shares of MAA LP s tax preference items and adjustments in order to compute their alternative minimum taxable income. Since the impact of this tax depends on each former Colonial LP and continuing MAA LP unitholder s particular situation, Colonial LP and continuing MAA LP unitholders are urged to consult with their own tax advisors as to the applicability in their particular circumstances of the alternative minimum tax following the partnership merger.

Expansion of Medicare Tax. In certain circumstances, certain U.S. holders of MAA LP units who are individuals, estates, and trusts are subject to a 3.8% tax on net investment income, which includes, among other things, certain allocations of income from certain partnerships and gains from the sale or other disposition of interests in such partnerships. Most, if not all, income allocated to the U.S. holders of MAA LP units who are individuals, estates, and trusts is expected to be subject to this tax.

State and Local Taxes. In addition to the U.S. federal income tax aspects described above, an MAA LP unitholder should consider the potential state and local tax consequences of owning MAA LP units. Tax returns may be required and tax liability may be imposed both in the state or local jurisdictions where an MAA LP unitholder resides and in each state or local jurisdiction in which MAA LP has assets or otherwise does business. Thus, persons holding MAA LP units either directly or through one or more partnerships or limited liability companies may be subject to state and local taxation in a number of jurisdictions in which MAA LP directly or indirectly holds real property and would be required to file periodic tax returns in those jurisdictions. MAA LP

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also may be required to withhold state income tax from distributions otherwise payable to, or other amounts in respect of, MAA LP unitholders. MAA LP anticipates providing MAA LP unitholders with any information reasonably necessary to permit them to satisfy state and local return filing requirements. To the extent that an MAA LP unitholder pays income tax with respect to MAA LP income to a state where it is not resident or MAA LP is required to pay such tax on behalf of such unitholder, the unitholder may be entitled to a deduction or credit against income tax that it otherwise would owe to its state of residence with respect to the same income. Colonial LP and continuing MAA LP unitholders should consult their own tax advisors regarding the state and local income tax implications of owning MAA LP units, including return filing requirements in the various states where MAA LP currently owns properties and will own properties after the partnership merger.

Tax Shelter Regulations. If MAA LP were to engage in a reportable transaction, MAA LP (and possibly holders of its units) would be required to make a detailed disclosure of the transaction to the Internal Revenue Service in accordance with regulations governing tax shelters and other potentially tax-motivated transactions. A transaction may be a reportable transaction based upon any of several factors, including the fact that it is a type of tax avoidance transaction publicly identified by the Internal Revenue Service as a listed transaction or that it produces certain kinds of losses in excess of $2,000,000. An investment in MAA LP may be considered a reportable transaction if, for example, MAA LP recognizes certain significant losses in the future. In certain circumstances, a holder of MAA LP units who disposes of an interest in a transaction resulting in the recognition by such holder of significant losses in excess of certain threshold amounts may be obligated to disclose its participation in such transaction. MAA LP s participation in a reportable transaction also could increase the likelihood that its U.S. federal income tax information return (and possibly your tax return) would be audited by the Internal Revenue Service. Certain of these rules are currently unclear, and it is possible that they may be applicable in situations other than significant loss transactions.

Moreover, if MAA LP were to participate in a reportable transaction with a significant purpose to avoid or evade tax, or in any listed transaction, a holder of MAA LP units may be subject to (i) significant accuracy-related penalties with a broad scope, (ii) for those persons otherwise entitled to deduct interest on U.S. federal tax deficiencies, nondeductibility of interest on any resulting tax liability, and (iii) in the case of a listed transaction, an extended statute of limitations.

Unitholders should consult their own tax advisors regarding the application in their particular circumstances of these rules, including any applicable record-keeping and reporting obligations.

Material U.S. Federal Income Tax Considerations Applicable to MAA LP Unitholders Who Acquire Shares of MAA Common Stock Upon Redemption of their MAA LP units

If an MAA LP unitholder exercises its unit redemption right under the amended and restated MAA LP limited partnership agreement, MAA has the right to acquire the units tendered for redemption in exchange for shares of common stock of MAA. This section summarizes the material U.S. federal income tax consequences generally resulting from the election of MAA to be taxed as a REIT and the ownership of common stock of MAA by a U.S. Holder. The sections of the Code and the corresponding Treasury Regulations that relate to qualification and operation as a REIT are highly technical and complex. The following sets forth the material aspects of the sections of the Code that govern the U.S. federal income tax treatment of a REIT and the holders of certain of its common stock under current law. This summary is qualified in its entirety by the applicable Code provisions, relevant rules and regulations promulgated under the Code, and administrative and judicial interpretations of the Code and these rules and regulations. Except as specifically noted, this discussion does not cover differences between current law and prior law applicable to REITs.

Taxation of REITs in General

MAA elected to be taxed as a REIT under Sections 856 through 860 of the Code commencing with its taxable year ended December 31, 1994. MAA believes that it has been organized and operated in a manner which allows MAA to qualify for taxation as a REIT under the Code commencing with the taxable year ended

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December 31, 1994. MAA currently intends to continue to be organized and operate in this manner. However, qualification and taxation as a REIT depend upon the ability of MAA to meet the various qualification tests imposed under the Code, including through actual annual operating results, asset composition, distribution levels and diversity of stock ownership. Accordingly, no assurance can be given that MAA has been organized and has operated, or that MAA will continue to be organized and operate, in a manner so as to qualify or remain qualified as a REIT.

Provided MAA qualifies for taxation as a REIT, MAA generally will be allowed to deduct dividends paid to its shareholders, and, as a result, MAA generally will not be subject to U.S. federal income tax on that portion of its ordinary income and net capital gain that it currently distributes to its shareholders. MAA expects to make distributions to its shareholders on a regular basis as necessary to avoid material U.S. federal income tax and to comply with the REIT requirements. See Qualification as a REIT Annual Distribution Requirements below.

Notwithstanding the foregoing, even if MAA qualifies for taxation as a REIT, it nonetheless may be subject to U.S. federal income tax in certain circumstances, including the following:

MAA will be required to pay U.S. federal income tax on its undistributed REIT taxable income, including net capital gain;

MAA may be subject to the alternative minimum tax;

MAA may be subject to tax at the highest corporate rate on certain income from foreclosure property (generally, property acquired by reason of default on a lease or indebtedness held by it);

MAA will be subject to a 100% U.S. federal income tax on net income from prohibited transactions (generally, certain sales or other dispositions of property, sometimes referred to as dealer property, held primarily for sale to customers in the ordinary course of business) unless the gain is realized in a taxable REIT subsidiary, or TRS, or such property has been held by MAA for at least two years and certain other requirements are satisfied;

If MAA fails to satisfy the 75% gross income test or the 95% gross income test (discussed below), but nonetheless maintains its qualification as a REIT pursuant to certain relief provisions, MAA will be subject to a 100% U.S. federal income tax on the greater of (i) the amount by which it fails the 75% gross income test or (ii) the amount by which it fails the 95% gross income test, in either case, multiplied by a fraction intended to reflect its profitability;

If MAA fails to satisfy any of the asset tests, other than a failure of the 5% or the 10% asset tests that qualifies under the De Minimis Exception, and the failure qualifies under the General Exception, as described below under Qualification as a REIT Asset Tests, then MAA will have to pay an excise tax equal to the greater of (i) $50,000 and (ii) an amount determined by multiplying the net income generated during a specified period by the assets that caused the failure by the highest U.S. federal income tax applicable to corporations;

If MAA fails to satisfy any REIT requirements other than the income test or asset test requirements, described below under Qualification as a REIT Income Tests and Qualification as a REIT Asset Tests, respectively, and MAA qualifies for a reasonable cause exception, then MAA will have to pay a penalty equal to $50,000 for each such failure;

MAA will be subject to a 4% nondeductible excise tax if certain distribution requirements are not satisfied;

MAA may be required to pay monetary penalties to the IRS in certain circumstances, including if MAA fails to meet record-keeping requirements intended to monitor its compliance with rules relating to the composition of a REIT s shareholders, as described below

in Recordkeeping Requirements ;

If MAA acquires any asset from a corporation which is or has been a C corporation in a transaction in which the basis of the asset in MAA s hands is less than the fair market value of the asset, in each case determined at the time it acquired the asset, and it subsequently recognizes gain on the disposition of

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the asset during the ten-year period beginning on the date on which it acquired the asset (or five year period for assets disposed of in calendar years 2012 and 2013), then it will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of (a) the fair market value of the asset over (b) its adjusted basis in the asset, in each case determined as of the date on which it acquired the asset. The results described in this paragraph with respect to the recognition of gain assume that the C corporation will refrain from making an election to receive different treatment under applicable Treasury Regulations on its tax return for the year in which MAA acquires the asset from the C corporation. The forgoing rules would apply to the assets acquired from Colonial in the parent merger if Colonial failed to qualify as a REIT for a period prior to the parent merger, the parent merger nonetheless qualified as a reorganization under Section 368(a) of the Code, and MAA sold such assets within the applicable recognition periods. The IRS has issued proposed Treasury Regulations which would exclude from the application of this built-in gains tax any gain from the sale of property acquired by a REIT in an exchange under Section 1031 (a like kind exchange) or Section 1033 (an involuntary conversion) of the Code. The proposed Treasury Regulations described above will not be effective unless they are issued in their final form, and as of the date of this joint proxy statement/prospectus it is not possible to determine whether the proposed regulations will be finalized in their current form or at all;

MAA will be required to pay a 100% tax on any redetermined rents, redetermined deductions, and excess interest. In general, redetermined rents are rents from real property that are overstated as a result of services furnished to any of its non-TRS tenants by one of its TRSs. Redetermined deductions and excess interest generally represent amounts that are deducted by a TRS for amounts paid to MAA that are in excess of the amounts that would have been deducted based on arm s-length negotiations; and

Income earned by MAA s TRSs or any other subsidiaries that are C corporations will be subject to tax at regular corporate rates. No assurance can be given that the amount of any such U.S. federal income taxes will not be substantial. In addition, MAA and its subsidiaries may be subject to a variety of taxes, including payroll taxes and state, local and foreign income, property and other taxes on assets and operations. MAA could also be subject to tax in situations and on transactions not presently contemplated.

Qualification as a REIT

In General. The REIT provisions of the Code apply to a domestic corporation, trust, or association (i) that is managed by one or more trustees or directors, (ii) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest, (iii) that properly elects to be taxed as a REIT and such election has not been terminated or revoked, (iv) that is neither a financial institution nor an insurance company, (v) that uses a calendar year for U.S. federal income tax purposes, (vi) that would be taxable as a domestic corporation but for the special Code provisions applicable to REITs and (vii) that meets the additional requirements discussed below.

Ownership Tests. Commencing with MAA s second REIT taxable year, (i) the beneficial ownership of MAA common stock must be held by 100 or more persons during at least 335 days of a 12-month taxable year (or during a proportionate part of a taxable year of less than 12 months) for each of its taxable years and (ii) during the last half of each taxable year, no more than 50% in value of MAA s shares may be owned, directly or indirectly, by or for five or fewer individuals, which we refer to as the 5/50 Test. Share ownership for purposes of the 5/50 Test is determined by applying the constructive ownership provisions of Section 544(a) of the Code, subject to certain modifications. The term individual for purposes of the 5/50 Test includes a private foundation, a trust providing for the payment of supplemental unemployment compensation benefits, and a portion of a trust permanently set aside or to be used exclusively for charitable purposes. A qualified trust described in Section 401(a) of the Code and exempt from tax under Section 501(a) of the Code generally is not treated as an individual for purposes of the 5/50 Test; rather, shares held by it are treated as owned proportionately by its beneficiaries.

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MAA s charter restricts ownership and transfers of its shares that would violate these requirements, although these restrictions may not be effective in all circumstances to prevent a violation. In addition, MAA will be deemed to have satisfied the 5/50 Test for a particular taxable year if it has complied with all the requirements for ascertaining the ownership of its outstanding shares in that taxable year and has no reason to know that it has violated the 5/50 Test.

Ownership of Interests in Entities Treated as Partnerships for U.S. Federal Income Tax Purposes. A REIT that is a partner in an entity treated as a partnership for U.S. federal income tax purposes (generally including any domestic unincorporated entity with two or more owners that has not elected to be taxed as a corporation and is not a publicly traded partnership or a taxable mortgage pool) will be deemed to own its proportionate share of the assets of the partnership and will be deemed to earn its proportionate share of the partnership s income, based on its interest in partnership capital. In addition, the assets and gross income of the partnership retain the same character in the hands of the REIT for purposes of the gross income and asset tests applicable to REITs as described below. Thus, so long as MAA LP qualifies as a partnership for U.S. federal income tax purposes, MAA s proportionate share of the assets and items of income of MAA LP, including MAA LP s share of assets and items of income of any subsidiaries that are partnerships for U.S. federal income tax purposes, are treated as assets and items of income of MAA for purposes of applying the REIT income and asset tests described below. Unless otherwise noted, references to partnership in this discussion include any entity that is treated as a partnership for U.S. federal income tax purposes.

Ownership of Interests in Disregarded Subsidiaries. If a REIT owns a corporate subsidiary (including an entity which is treated as an association taxable as a corporation for U.S. federal income tax purposes) that is a qualified REIT subsidiary, the separate existence of that subsidiary is disregarded for U.S. federal income tax purposes. Generally, a qualified REIT subsidiary is a corporation, other than a TRS (discussed below), all of the capital stock of which is owned by the REIT (either directly or through other disregarded subsidiaries). For U.S. federal income tax purposes, all assets, liabilities and items of income, deduction and credit of the qualified REIT subsidiary will be treated as assets, liabilities and items of income, deduction and credit of the REIT itself. A qualified REIT subsidiary of the Company will not be subject to U.S. federal corporate income taxation, although it may be subject to state and local taxation in some states. Certain other entities also may be treated as disregarded entities for U.S. federal income tax purposes, generally including any domestic unincorporated entity that would be treated as a partnership if it had more than one owner. For U.S. federal income tax purposes, all assets, liabilities and items of income, deduction and credit of any such disregarded entity will be treated as assets, liabilities and items of income, deduction and credit of the owner of the disregarded entity.

Income Tests. In order to maintain qualification as a REIT, MAA must annually satisfy two gross income requirements. First, at least 75% of its gross income (excluding gross income from prohibited transactions and certain other income and gains as described below) for each taxable year must be derived, directly or indirectly, from investments relating to real property or mortgages on real property or from certain types of temporary investments (or any combination thereof). Qualifying income for the purposes of this 75% gross income test generally includes: (a) rents from real property, (b) interest on debt secured by mortgages on real property or on interests in real property, (c) dividends or other distributions on, and gain from the sale of, shares in other REITs, (d) gain from the sale of real estate assets (other than gain from prohibited transactions), (e) income and gain derived from foreclosure property, and (f) income from certain types of temporary investments.

Second, in general, at least 95% of MAA s gross income (excluding gross income from prohibited transactions and certain other income and gains as described below) for each taxable year must be derived from the real property investments described above and from other types of dividends and interest, gain from the sale or disposition of shares or securities that are not dealer property, or any combination of the above.

Any rents that MAA receives will qualify as rents from real property in satisfying the gross income requirements for a REIT described above only if several conditions are met. First, the amount of rent must not be based in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term rents from real property solely by reason of being based on a

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fixed percentage or percentages of receipts or sales. Second, rents received from a related party tenant will not qualify as rents from real property in satisfying the gross income tests unless the tenant is a TRS and either (i) at least 90% of the property is leased to unrelated tenants and the rent paid by the TRS is substantially comparable to the rent paid by the unrelated tenants for comparable space, or (ii) the property leased is a qualified lodging facility, as defined in Section 856(d)(9)(D) of the Code, or a qualified health care property, as defined in Section 856(e)(6)(D)(i), and certain other conditions are satisfied. A tenant is a related party tenant if the REIT, or an actual or constructive owner of 10% or more of the REIT s stock, actually or constructively owns 10% or more of the interests in the assets or net profits of the tenant if the tenant is not a corporation, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Third, if rent attributable to personal property, leased in connection with a lease of real property, is greater than 15% of the total rent received under the lease, then the portion of rent attributable to the personal property will not qualify as rents from real property.

Generally, for rents to qualify as rents from real property for the purpose of satisfying the gross income tests, the REIT may provide directly only an insignificant amount of services, unless those services are usually or customarily rendered in connection with the rental of real property and not otherwise considered rendered to the occupant under the applicable tax rules. Accordingly, MAA may not provide impermissible services to tenants (except through an independent contractor from whom it derives no revenue and that meets other requirements or through a TRS) without giving rise to impermissible tenant service income. Impermissible tenant service income is deemed to be at least 150% of the direct cost to the REIT of providing the service. If the impermissible tenant service income exceeds 1% of the REIT s total income from a property, then all of the income from that property will fail to qualify as rents from real property. If the total amount of impermissible tenant service income from a property does not exceed 1% of MAA s total income from the property, the services will not disqualify any other income from the property that qualifies as rents from real property, but the impermissible tenant service income will not qualify as rents from real property.

MAA does not intend to charge rent that is based in whole or in part on the income or profits of any person or to derive rent from related party tenants, or rent attributable to personal property leased in connection with real property that exceeds 15% of the total rents from the real property if the treatment of any such amounts as non-qualified rent would jeopardize its status as a REIT. MAA also does not intend to derive impermissible tenant service income that exceeds 1% of its total income from any property if the treatment of the rents from such property as nonqualified rents could cause it to fail to qualify as a REIT.

If MAA fails to satisfy one or both of the 75% or the 95% gross income tests, it may nevertheless qualify as a REIT for a particular year if it is entitled to relief under certain provisions of the Code. Those relief provisions generally will be available if the failure to meet such tests is due to reasonable cause and not due to willful neglect and a schedule is filed describing each item of gross income for such year(s) in accordance with the applicable Treasury Regulations. It is not possible, however, to state whether in all circumstances these relief provisions could apply. As discussed above in Taxation of REITs in General, even if these relief provisions were to apply, MAA would be subject to U.S. federal income tax to the extent it fails to meet the 75% or 95% gross income tests or otherwise fails to distribute 100% of its net capital gain and taxable income.

Asset Tests. At the close of each quarter of its taxable year, MAA must also satisfy four tests relating to the nature of its assets. First, real estate assets, cash and cash items, and government securities must represent at least 75% of the value of its total assets. Second, not more than 25% of its total assets may be represented by securities other than those in the 75% asset class. Third, of the investments that are not included in the 75% asset class and that are not securities of its TRSs, (i) the value of any one issuer s securities owned by MAA may not exceed 5% of the value of its total assets and (ii) MAA may not own more than 10% by vote or by value of any one issuer s outstanding securities. For purposes of the 10% value test, debt instruments issued by a partnership are not classified as securities to the extent of MAA s interest as a partner in such partnership (based on its proportionate share of the partnership s equity interests and certain debt securities) or if at least 75% of the partnership s gross income, excluding income from prohibited transactions, is qualifying income for purposes of

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the 75% gross income test. For purposes of the 10% value test, the term securities also does not include debt securities issued by another REIT, certain straight debt securities (for example, qualifying debt securities of a corporation of which MAA owns no more than a de minimis amount of equity interest), loans to individuals or estates, and accrued obligations to pay rent. Fourth, securities of TRSs cannot represent more than 25% of a REIT s total assets (20% in the case of taxable years beginning prior to January 1, 2009). Real estate assets for purposes of the REIT rules include stock in other REITs, but do not include stock in non-REIT companies.

MAA will monitor the status of its assets for purposes of the various asset tests and will endeavor to manage its portfolio in order to comply at all times with such tests. If MAA fails to satisfy the asset tests at the end of a calendar quarter, other than the first calendar quarter, MAA will not lose its REIT status if one of the following exceptions applies:

MAA satisfied the asset tests at the end of the preceding calendar quarter, and the discrepancy between the value of its assets and the asset test requirements arose from changes in the market values of its assets and was not wholly or partly caused by the acquisition of one or more non-qualifying assets; or

MAA eliminates any discrepancy within 30 days after the close of the calendar quarter in which it arose.

Moreover, if MAA fails to satisfy the asset tests at the end of a calendar quarter during a taxable year, it will not lose its REIT status if one of the following additional exceptions applies:

De Minimis Exception: The failure is due to a violation of the 5% or 10% asset tests referenced above and is de minimis (meaning that the failure is one that arises from ownership of assets the total value of which does not exceed the lesser of 1% of the total value of MAA s assets at the end of the quarter in which the failure occurred and $10 million), and MAA either disposes of the assets that caused the failure or otherwise satisfies the asset tests within six months after the last day of the quarter in which MAA s identification of the failure occurred; or

General Exception: All of the following requirements are satisfied: (i) the failure is not due to a de minimis violation of the 5% or 10% asset tests (as defined above), (ii) the failure is due to reasonable cause and not willful neglect, (iii) MAA files a schedule in accordance with Treasury Regulations providing a description of each asset that caused the failure, (iv) MAA either disposes of the assets that caused the failure or otherwise satisfies the asset tests within six months after the last day of the quarter in which its identification of the failure occurred, and (v) MAA pays an excise tax as described above in Taxation of REITs in General.

Foreclosure Property. Foreclosure property is real property (including interests in real property) and any personal property incident to such real property (1) that is acquired by a REIT as a result of the REIT having bid in the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after there was a default (or default was imminent) on a lease of the property or a mortgage loan held by the REIT and secured by the property, (2) for which the related loan or lease was made, entered into or acquired by the REIT at a time when default was not imminent or anticipated and (3) for which such REIT makes an election to treat the property as foreclosure property. Income and gain derived from foreclosure property is treated as qualifying income for both the 95% and 75% gross income tests. REITs generally are subject to tax at the maximum corporate rate (currently 35%) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property is held primarily for sale to customers in the ordinary course of a trade or business.

Debt Instruments. MAA may hold or acquire mortgage, mezzanine, bridge loans and other debt investments. Interest income constitutes qualifying mortgage interest for purposes of the 75% gross income test (as described

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above) to the extent that the obligation upon which such interest is paid is secured by a mortgage on real property. If a REIT receives interest income with respect to a mortgage loan that is secured by both real property and other property, and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property on the date that it acquired or originated the mortgage loan, the interest income will be apportioned between the real property and the other collateral, and income from the arrangement will qualify for purposes of the 75% gross income test only to the extent that the interest is allocable to the real property. Loans that are modified generally will have to be retested using the fair market value of the collateral real property securing the loan as of the date the modification, unless the modification does not result in a deemed exchange of the unmodified note for the modified note for tax purposes, or the mortgage loan was in default or is reasonably likely to default and the modified loan substantially reduces the risk of default, in which case no re-testing in connection with the loan modification is necessary. Under IRS guidance, a loan may be treated as a qualifying real estate asset in an amount equal to the lesser of the fair market value of the loan or the fair market value of the real property securing the loan on the date the REIT acquired the loan. Although the guidance is not entirely clear, it appears that the non-qualifying portion of the mortgage loan will be equal to the portion of the loan s fair market value that exceeds the value on the date of acquisition of the associated real property that is security for that loan.

The application of the REIT provisions of the Code to certain mezzanine loans, which are loans secured by equity interests in an entity that directly or indirectly owns real property rather than by a direct mortgage of the real property, is not entirely clear. A safe harbor in Revenue Procedure 2003-65 provides that if a mezzanine loan meets certain requirements then (i) the mezzanine loan will be treated as a qualifying real estate asset for purposes of the REIT asset tests and (ii) interest in respect of such mezzanine loan will be treated as qualifying mortgage interest for purposes of the 75% income test. To the extent MAA acquires mezzanine loans that do not comply with this safe harbor, all or a portion of such mezzanine loans may not qualify as real estate assets or generate qualifying income and REIT status may be adversely affected. As such, the REIT provisions of the Code may limit MAA s ability to acquire mezzanine loans that it might otherwise desire to acquire.

Interests in a REMIC generally will be treated as real estate assets for purposes of the asset tests, and income derived from REMIC interests generally will be treated as qualifying income for purposes of the 75% and 95% gross income tests, except that if less than 95% of the assets of the REMIC are real estate assets, then MAA will be treated as owning and receiving its proportionate share of the assets and income of the REMIC, with the result that only a proportionate part of MAA s interest in the REMIC and income derived from the interest will qualify for purposes of the assets and the 75% gross income test. Even if a loan is not secured by real property, or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% gross income test.

To the extent that a REIT derives interest income from a mortgage loan where all or a portion of the amount of interest payable is contingent, such income generally will qualify for purposes of the gross income tests only if it is based upon the gross receipts or sales, and not the net income or profits, of the borrower. This limitation does not apply, however, (i) where the borrower leases substantially all of its interest in the property to tenants or subtenants, to the extent that the rental income derived by the borrower would qualify as rents from real property had the REIT earned the income directly, or (ii) if contingent interest is payable pursuant to a shared appreciation mortgage provision. A shared appreciation mortgage provision is any provision which is in connection with an obligation held by a REIT that is secured by an interest in real property, which entitles the REIT to a portion of the gain or appreciation in value of the collateral real property at a specified time. Any contingent interest earned pursuant to a shared appreciation mortgage provision shall be treated as gain from the sale of the underlying real property collateral for purposes of the REIT income tests.

Hedging Transactions. MAA may enter into hedging transactions with respect to one or more of its assets or liabilities. Hedging transactions could take a variety of forms, including interest rate swaps or cap agreements, options, futures contracts, forward rate agreements or similar financial instruments. Except to the extent as may be provided by future Treasury Regulations, any income from a hedging transaction entered into after July 30,

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2008 which is clearly and properly identified as such before the close of the day on which it was acquired, originated or entered into, including gain from the disposition or termination of such a transaction, will not constitute gross income for purposes of the 95% and 75% gross income tests, provided that the hedging transaction is entered into (i) in the normal course of business primarily to manage risk of interest rate or price changes or currency fluctuations with respect to indebtedness incurred or to be incurred to acquire or carry real estate assets or (ii) primarily to manage the risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests (or any property which generates such income or gain). In the case of a hedging transaction entered into on or prior to July 30, 2008 which is clearly and properly identified as such before the close of the day on which it was acquired, originated or entered into, the income from such transaction shall be excluded from the 95% income test, but shall be nonqualifying income for the 75% test, provided the hedging transaction is entered into to hedge debt incurred or to be incurred to acquire real estate assets. To the extent MAA enters into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of both the 75% and 95% gross income tests.

Foreign Investments. To the extent that MAA holds or acquires any investments and, accordingly, pay taxes in other countries, taxes paid in non-U.S. jurisdictions may not be passed through to, or used by, MAA s shareholders as a foreign tax credit or otherwise. In addition, certain passive income earned by a non-U.S. taxable REIT subsidiary must be taken in account currently (whether or not distributed by the taxable REIT subsidiary) and may not be qualifying income under the 95% and 75% gross income tests.

Qualified Temporary Investment Income. Income derived by MAA from certain types of temporary share and debt investments made with the proceeds of sales of MAA s stock or certain public debt offerings, not otherwise treated as qualifying income for the 75% gross income test, generally will nonetheless constitute qualifying income for purposes of the 75% gross income test for the year following the sale of such stock. More specifically, qualifying income for purposes of the 75% gross income test includes qualified temporary investment income, which generally means any income that is attributable to shares of stock or a debt instrument, is attributable to the temporary investment of new equity capital and certain debt capital, and is received or accrued during the one-year period beginning on the date on which the REIT receives such new capital. After such one year period, income from such investments will be qualifying income for purposes of the 75% income test only if derived from one of the other qualifying sources enumerated above. Also, for purposes of the REIT asset tests, the term real estate assets includes any property that is not otherwise a real estate asset and that is attributable to such temporary investment of new capital, but only if such property is comprised of shares or debt instruments, and only for the one-year period beginning on the date the REIT receives such new capital.

Annual Distribution Requirements. In order to qualify as a REIT, MAA must distribute dividends (other than capital gain dividends) to its shareholders in an amount at least equal to (A) the sum of (i) 90% of its REIT taxable income, determined without regard to the dividends paid deduction and by excluding any net capital gain, and (ii) 90% of the net income (after tax), if any, from foreclosure property, minus (B) the sum of certain items of non-cash income. MAA generally must pay such distributions in the taxable year to which they relate, or in the following taxable year if declared before MAA timely files its tax return for such year and if paid on or before the first regular dividend payment after such declaration.

To the extent that MAA does not distribute all of its net capital gain and taxable income, it will be subject to U.S. federal, state and local tax on the undistributed amount at regular corporate income tax rates. Furthermore, if MAA should fail to distribute during each calendar year at least the sum of (i) 85% of its ordinary income for such year, (ii) 95% of its capital gain net income for such year, and (iii) 100% of any corresponding undistributed amounts from prior periods, it will be subject to a 4% nondeductible excise tax on the excess of such required distribution over the amounts actually distributed.

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Under certain circumstances, MAA may be able to rectify a failure to meet the distribution requirement for a year by paying deficiency dividends to its shareholders in a later year that may be included in its deduction for dividends paid for the earlier year. Thus, MAA may be able to avoid being taxed on amounts distributed as deficiency dividends; however, MAA will be required to pay interest based upon the amount of any deduction taken for deficiency dividends.

In addition, dividends MAA pays must not be preferential. If a dividend is preferential, it will not qualify for the dividends paid deduction. To avoid paying preferential dividends, MAA must treat every shareholder of the class of shares with respect to which it makes a distribution the same as every other shareholder of that class, and MAA must not treat any class of shares other than according to its dividend rights as a class. Under certain technical rules governing deficiency dividends, MAA could lose its ability to cure an under-distribution in a year with a subsequent year deficiency dividend if it pays preferential dividends. Accordingly, MAA intends to pay dividends pro rata within each class, and to abide by the rights and preferences of each class.

MAA may retain and pay income tax on net long-term capital gains received during the tax year. To the extent MAA so elects, (i) each shareholder must include in its income (as long-term capital gain) its proportionate share of MAA s undistributed long-term capital gains, (ii) each shareholder is deemed to have paid, and receives a credit for, its proportionate share of the tax paid by MAA on the undistributed long-term capital gains, and (iii) each shareholder s basis in its shares of MAA s stock is increased by the included amount of the undistributed long-term capital gains less their share of the tax paid.

To qualify as a REIT, MAA may not have, at the end of any taxable year, any undistributed earnings and profits accumulated in any non-REIT taxable year. In the event MAA accumulates any non-REIT earnings and profits, MAA intends to distribute its non-REIT earnings and profits before the end of its first REIT taxable year to comply with this requirement.

Failure to Qualify

If MAA fails to qualify as a REIT and such failure is not an asset test or income test failure subject to the cure provisions described above, or the result of preferential dividends, MAA generally will be eligible for a relief provision if the failure is due to reasonable cause and not willful neglect and MAA pays a penalty of $50,000 with respect to such failure.

If MAA fails to qualify for taxation as a REIT in any taxable year and no relief provisions apply, MAA generally will be subject to tax (including any applicable alternative minimum tax) on its taxable income at regular corporate rates. Distributions to MAA s shareholders in any year in which MAA fails to qualify as a REIT will not be deductible by MAA nor will they be required to be made. In such event, to the extent of MAA s current or accumulated earnings and profits, all distributions to its shareholders will be taxable as dividend income. Subject to certain limitations in the Code, corporate shareholders may be eligible for the dividends received deduction, and individual, trust and estate shareholders may be eligible to treat the dividends received from MAA as qualified dividend income taxable as net capital gains, under the provisions of Section 1(h)(11) of the Code. Unless entitled to relief under specific statutory provisions, MAA also will be ineligible to elect to be taxed as a REIT again prior to the fifth taxable year following the first year in which it failed to qualify as a REIT under the Code.

MAA s qualification as a REIT for U.S. federal income tax purposes will depend on it continuing to meet the various requirements summarized above governing the ownership of its outstanding shares, the nature of its assets, the sources of its income, and the amount of its distributions to its shareholders. Although MAA intends to operate in a manner that will enable it to comply with such requirements, there can be no certainty that such intention will be realized. In addition, because the relevant laws may change, compliance with one or more of the REIT requirements may become impossible or impracticable.

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Prohibited Transactions Tax

Any gain realized by MAA on the sale of any property held as inventory or other property held primarily for sale to customers in the ordinary course of business, including its share of any such gain realized by its operating partnership and taking into account any related foreign currency gains or losses, will be treated as income from a prohibited transaction that is subject to a 100% penalty tax. Whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business depends upon all the facts and circumstances with respect to the particular transaction. However, the Code provides a safe harbor pursuant to which sales of properties held for at least two years and meeting certain other requirements will not give rise to prohibited transaction income.

MAA may make sales that do not satisfy the safe harbor requirements described above and there can be no assurance that the IRS will not contend that one or more of these sales are subject to the 100% penalty tax. The 100% tax will not apply to gains from the sale of property realized through a TRS or other taxable corporation, although such income will be subject to tax at regular corporate income tax rates.

Recordkeeping Requirements

To avoid a monetary penalty, MAA must request on an annual basis information from its shareholders designed to disclose the actual ownership of its outstanding shares.

Investments in TRSs

MAA may own one or more subsidiaries intended to be treated as TRSs for federal income tax purposes. A TRS is a corporation in which a REIT directly or indirectly own shares and that jointly elects with the REIT to be treated as a TRS under Section 856(l) of the Code. In addition, if a TRS owns, directly or indirectly, securities representing 35% or more of the vote or value of a subsidiary corporation, that subsidiary will also be treated as a TRS of the REIT. A domestic TRS pays U.S. federal, state, and local income taxes at the full applicable corporate rates on its taxable income prior to payment of any dividends. A non-U.S. TRS with income from a U.S. trade or business or certain U.S. sourced income also may be subject to U.S. income taxes. A TRS owning property outside of the U.S. may pay foreign taxes. The taxes owed by a TRS could be substantial. To the extent that MAA s TRSs are required to pay U.S. federal, state, local, or foreign taxes, the cash available for distribution by MAA will be reduced accordingly.

A TRS is permitted to engage in certain kinds of activities that cannot be performed directly by MAA without jeopardizing MAA s qualification as a REIT. Certain payments made by any of MAA s TRSs to MAA may not be deductible by the TRS (which could materially increase the TRS s taxable income), and certain direct or indirect payments made by any of MAA s TRS to MAA may be subject to 100% tax. In addition, subject to certain safe harbors, MAA generally will be subject to a 100% tax on the amounts of any rents from real property, deductions, or excess interest received from a TRS that would be reduced through reapportionment under Section 482 of the Code in order to more clearly reflect the income of the TRS (and amounts protected from the 100% tax by reason of such safe harbor may nonetheless be reapportioned under Section 482).

Distributions that MAA receives from a domestic TRS will be classified as dividend income to the extent of the current or accumulated earnings and profits of the TRS. Such distributions will generally constitute qualifying income for purposes of the 95% gross income test, but not under the 75% gross income test unless attributable to investments of certain new capital during the one-year period beginning on the date of receipt of the new capital.

REIT Subsidiaries

MAA LP may hold interests in one or more subsidiaries intended to qualify as REITs. Any such subsidiary REITs would need to satisfy the various REIT requirements discussed above on a stand-alone basis. Stock of any subsidiary qualifying as REIT will be a qualifying real estate asset for purposes of the assets tests , and any dividends received by MAA from a subsidiary qualifying as a REIT and gains from sales of such subsidiary s

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stock will be qualifying income for purposes of both the 95% and 75% gross income tests. If a subsidiary intended to qualify as a REIT failed to so qualify, MAA would be treated as holding stock of a non-REIT, non-TRS corporate subsidiary, which could jeopardize MAA s status as a REIT.

Tax Aspects of MAA LP

In General. MAA will own all or substantially all of its assets through MAA LP, and MAA LP in turn will own a substantial portion of its assets through interests in various partnerships and limited liability companies.

Except in the case of subsidiaries that have elected REIT or TRS status, MAA expects that MAA LP and the partnership and limited liability company subsidiaries MAA LP will be treated as partnerships or disregarded entities for U.S. federal income tax purposes. In general, entities that are classified as partnerships for U.S. federal income tax purposes are treated as pass-through entities which are not required to pay U.S. federal income tax. Rather, partners or members of such entities are allocated their share of the items of income, gain, loss, deduction and credit of the entity, and are potentially required to pay tax on that income without regard to whether the partners or members receive a distribution of cash from the entity. MAA includes in its income its allocable share of the foregoing items for purposes of computing its REIT taxable income, based on the applicable partnership agreement. For purposes of applying the REIT income and asset tests, MAA includes its pro rata share of the income generated by and the assets held by the partnerships and limited liability companies treated as partnerships for U.S. federal income tax purposes in which it owns an interest, including their shares of the income and assets of any subsidiary partnerships and limited liability companies treated as partnerships for U.S. federal income tax purposes based on its capital interests. See Taxation of REITs in General.

MAA s ownership interests in such partnerships and limited liability companies involve special tax considerations, including the possibility that the IRS might challenge the status of these entities as partnerships or disregarded entities, as opposed to associations taxable as corporations, for U.S. federal income tax purposes. If a partnership or limited liability company in which it owns an interest, or one or more of its subsidiary partnerships or limited liability companies, were treated as an association, it would be taxable as a corporation and would be required to pay an entity-level tax on its income. In this situation, the character of its assets and items of gross income would change, and could prevent MAA from satisfying the REIT asset tests and/or the REIT income tests. See Qualification as a REIT Asset Tests and Qualification as a REIT Income Tests. This, in turn, could prevent MAA from qualifying as a REIT. See Failure to Qualify for a discussion of the effect of MAA s failure to meet these tests for a taxable year.

MAA believes that these partnerships and limited liability companies will be classified as partnerships or disregarded entities for U.S. federal income tax purposes, and the remainder of the discussion under this section Tax Aspects of MAA LP is based on such classification. See Partnership Tax Status of MAA LP and Colonial LP MAA LP above for a discussion of MAA LP s status as a partnership for U.S. federal income tax purposes.

Allocations of Income, Gain, Loss and Deduction. A partnership or limited liability company agreement will generally determine the allocation of income and losses among partners or members for U.S. federal income tax purposes. These allocations, however, will be disregarded for tax purposes if they do not comply with the provisions of Section 704(b) of the Code and the related Treasury Regulations. Generally, Section 704(b) of the Code and the related Treasury Regulations require that partnership and limited liability company allocations respect the economic arrangement of their partners or members. If an allocation is not recognized by the IRS for U.S. federal income tax purposes, the item subject to the allocation will be reallocated according to the partners or members interests in the partnership or limited liability company, as the case may be. This reallocation will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners or members with respect to such item. The allocations of taxable income and loss in each of the partnerships and limited liability companies in which MAA owns an interest are intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations promulgated thereunder.

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Tax Allocations With Respect to Contributed Properties. In general, when property is contributed to a partnership in exchange for a partnership interest, the partnership inherits the carryover tax basis of the contributing partner in the contributed property. Any difference between the fair market value and the adjusted tax basis of contributed property at the time of contribution is referred to as a Book-Tax Difference. As discussed in Tax Consequences of Ownership of MAA LP Units after the Partnership Merger Tax Allocations with Respect to Book-Tax Difference on Contributed Property, under Section 704(c) of the Code, income, gain, loss and deduction attributable to property with a Book-Tax Difference that is contributed to a partnership in exchange for an interest in the partnership must be allocated in a manner so that the contributing partner is charged with the unrealized gain or benefits from the unrealized loss associated with the property at the time of the contribution, as adjusted from time-to-time, so that, to the extent possible under the applicable method elected under Section 704(c) of the Code, the non-contributing partners receive allocations of depreciation and gain or loss for tax purposes comparable to the allocations they would have received in the absence of Book-Tax Differences. These allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners or members. Similar tax allocations are required with respect to the Book-Tax Differences in the assets owned by a partnership when additional assets are contributed in exchange for a new partnership interest.

Contributions of appreciated property have been made to each of MAA LP and Colonial LP, and MAA LP may accept additional contributions from limited partners following the partnership merger. In addition, it is intended that, in connection with the partnership merger, Colonial LP be treated as contributing its properties to MAA LP in exchange for units in MAA LP and then distributing such units to the partners of Colonial LP in liquidation of Colonial LP. Moreover, the book value of the assets owned by MAA LP immediately prior to the partnership merger will be restated to current fair market value in connection with the partnership merger, thereby creating additional Book-Tax Differences. Consequently, the agreement of limited partnership of MAA LP will require such allocations to be made in a manner consistent with Section 704(c) of the Code. As a result of such tax allocations, and the carryover basis of contributed assets in the hands of MAA LP and the absence of a basis step up in the partnership merger, MAA will be allocated lower amounts of depreciation and other deductions for tax purpose, and possibly greater amounts of taxable income in the event of sales, as compared to the partner s share of such items for economic or book purposes. Thus, these rules may cause MAA to recognize taxable income in excess of cash proceeds, which might adversely affect our ability to comply with the REIT distribution requirements. See Qualification as a REIT Annual Distribution Requirements.

U.S Federal Income Tax Considerations for U.S. Holders of MAA Common Stock

Distributions. Distributions by MAA, other than capital gain dividends, will constitute ordinary dividends to the extent of its current and accumulated earnings and profits as determined for U.S. federal income tax purposes. In general, these dividends will be taxable as ordinary income and will not be eligible for the dividends-received deduction for corporate U.S. holders. MAA s ordinary dividends generally will not qualify as qualified dividend income taxed as net capital gain for U.S. holders that are individuals, trusts, or estates. However, distributions to U.S. holders that are individuals, trusts, or estates generally will constitute qualified dividend income taxed as net capital gains to the extent the U.S. holder satisfies certain holding period requirements and to the extent the dividends are attributable to (i) qualified dividend income MAA receives from C corporations, including its TRSs, (ii) MAA s undistributed earnings or built-in gains taxed at the corporate level during the immediately preceding year or (iii) any earnings and profits inherited from a C corporation in a tax-deferred reorganization or similar transaction, and provided MAA properly designates the distributions as qualified dividend income. MAA does not anticipate distributing a significant amount of qualified dividend income.

To the extent that MAA makes a distribution in excess of its current and accumulated earnings and profits, the distribution will be treated first as a tax-free return of capital, reducing the tax basis in a U.S. holder s shares, and thereafter as capital gain realized from the sale of such shares to the extent the distribution exceeds the U.S. holder s tax basis in the shares.

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Dividends declared by MAA in October, November or December and payable to a U.S. holder of record on a specified date in any such month shall be treated both as paid by MAA and as received by the U.S. holder on December 31 of the year, provided that the dividend is actually paid during January of the following calendar year.

Distributions that are properly designated as capital gain dividends will be taxed as long-term capital gains (to the extent they do not exceed MAA s actual net capital gain for the taxable year) without regard to the period for which the U.S. holder has held its shares. However, corporate U.S. holders may be required to treat up to 20% of certain capital gain dividends as ordinary income. In addition, U.S. holders may be required to treat a portion of any capital gain dividend as unrecaptured Section 1250 gain, taxable at a maximum rate of 25%, if MAA incurs such gain. Capital gain dividends are not eligible for the dividends-received deduction for corporate U.S. holders.

The REIT provisions of the Code do not require MAA to distribute its long-term capital gain, and MAA may elect to retain and pay income tax on its net long-term capital gains received during the taxable year. If MAA so elects for a taxable year, its U.S. holders would include in income as long-term capital gains their proportionate share of retained net long-term capital gains for the taxable year as MAA may designate. A U.S. holder would be deemed to have paid its share of the tax paid by MAA on such undistributed capital gains, which would be credited or refunded to the U.S. holder. The U.S. holder s basis in its shares would be increased by the amount of undistributed long-term capital gains (less the capital gains tax paid by MAA) included in the U.S. holder s long-term capital gains.

Passive Activity Loss and Investment Interest Limitations. MAA s distributions and gain from the disposition of its shares will not be treated as passive activity income and, therefore, U.S. holders will not be able to apply any passive losses against such income. With respect to non-corporate U.S. holders, MAA s dividends (to the extent they do not constitute a return of capital) that are taxed at ordinary income rates will generally be treated as investment income for purposes of the investment interest limitation; however, net capital gain from the disposition of shares of MAA common stock (or distributions treated as such), capital gain dividends, and dividends taxed at net capital gains rates generally will be excluded from investment income except to the extent the U.S. holder elects to treat such amounts as ordinary income for U.S. federal income tax purposes. U.S. holders may not include in their own U.S. federal income tax returns any of MAA s net operating or net capital losses.

Sale or Disposition of Common Stock. In general, any gain or loss realized upon a taxable disposition of shares of MAA common stock by a U.S. holder will be a long-term capital gain or loss if the shares have been held for more than one year and otherwise as a short-term capital gain or loss. However, any loss upon a sale or exchange of the shares by a U.S. holder who has held such shares for six months or less (after applying certain holding period rules) will be treated as a long-term capital loss to the extent of undistributed capital gains or distributions received by the U.S. holder from MAA, each as required to be treated by such U.S. holder as long-term capital gain. All or a portion of any loss realized upon a taxable disposition of shares of MAA common stock may be disallowed if other shares of its common stock are purchased within 30 days before or after the disposition.

Medicare Tax on Unearned Income. A U.S. holder that is an individual is subject to a 3.8% tax on the lesser of (1) the U.S. holder s net investment income for the relevant taxable year and (2) the excess of the U.S. holder s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual s filing status). A U.S. holder that is an estate or trust that does not fall into a special class of trusts that is exempt from such tax is subject to the same 3.8% tax on the lesser of its undistributed net investment income and the excess of its adjusted gross income over a certain threshold. A U.S. holder s net investment income will include, among other things, dividends on and capital gains from the sale or other disposition of shares of MAA. Prospective U.S. holders that are individuals, estates or trusts should consult their tax advisors regarding the effect, if any, of this Medicare tax on their ownership and disposition of MAA common stock.

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DESCRIPTION OF THE AMENDED AND RESTATED MAA LP LIMITED PARTNERSHIP AGREEMENT AND THE MAA LP UNITS

MAA LP is a Tennessee limited partnership that was formed on September 22, 1993. As part of the partnership merger, and pursuant to this joint consent solicitation/prospectus, the existing partnership agreement of MAA LP will be amended and restated. The following is a summary of the material terms of the proposed new partnership agreement, which we refer to in this section as the partnership agreement. This summary does not include all of the terms of the partnership agreement and should be read together with the partnership agreement, the form of which is attached to this joint consent solicitation/prospectus as Annex B, and applicable Tennessee law, including the Tennessee Revised Uniform Limited Partnership Act, or the TRULPA.

Capitalization

The partnership agreement authorizes MAA LP to issue from time-to-time one or more classes, or one or more series of any of such classes, of common MAA LP units, including: (i) Class A Common Units, which includes any MAA LP units that are not designated as Class B Common Units; and (ii) Class B Common Units, which are MAA LP units issued to or held by MAA and any of its subsidiaries (it being understood that if MAA or any of its subsidiaries shall acquire any Class A Common Units, such Class A Common Units shall automatically be converted into Class B Common Units upon such acquisition). Class B Common Units have the same rights, preferences, powers and duties as Class A Common Units. The partnership agreement will also authorize MAA LP to issue from time-to-time one or more classes of preferred MAA LP units, having such designations, preferences, rights, powers and duties, including rights, powers and duties senior to the common MAA LP units, all as determined by MAA in accordance with the partnership agreement. No class of preferred units will be outstanding as of the closing of the mergers. Unless indicated otherwise, all references below to MAA LP units include Class A Common Units, Class B Common Units and preferred units.

As of August 20, 2013, MAA LP had 1,704,489 Class A Common Units issued and outstanding, all of which are owned by the limited partners other than MAA to whom this joint consent solicitation/prospectus is being mailed, and 40,145,513 Class B Common Units issued and outstanding, all of which are owned by MAA. Class B Common Units have the same rights, preferences, powers and duties as Class A Common Units.

Following completion of the partnership merger and the parent merger, it is expected that MAA LP will have the following capitalization:

Class A Common Units	4,279,120
Class B Common Units	72,123,609
Preferred units	0

All of the Class B Common Units to be issued and outstanding following completion of the mergers will be owned by MAA.

The MAA LP units are not listed on any exchange or quoted on any national market system. Holders of MAA LP units who are admitted to MAA LP will have the rights of limited partners under the partnership agreement and the TRULPA. The partnership agreement imposes certain restrictions on the transfer of MAA LP units, as described below.

Distributions; Allocations of Income and Loss

Distributions Generally

The partnership agreement provides for the quarterly distribution of Available Cash, as determined in the manner provided in the partnership agreement. Available Cash is generally defined as net income plus depreciation and other adjustments and minus reserves, principal payments on debt and capital expenditures and other adjustments.

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Preferred Units

If preferred units are issued and outstanding for any portion of a quarter, Available Cash for such quarter is distributed first to the holders of such preferred units in such amount as is required for MAA LP to pay all distributions with respect to such preferred units due or payable in accordance with the instruments designating such preferred units through the last day of such quarter or shorter period.

Class A Common Units; Class B Common Units

Available Cash for a quarter is distributed to the holders of Class A Common Units and Class B Common Units on the record date for such quarter, after distributions to all preferred units as provided in the partnership agreement, in proportion to their respective percentage interests in MAA LP. Neither MAA nor the limited partners are entitled to any preferential or disproportionate distributions of Available Cash. Each MAA LP unit generally will receive a distribution from MAA LP in substantially the same amount as the dividend paid on each share of MAA common stock.

Allocations of Partnership Income and Loss

The partnership agreement provides that, if MAA LP operates at a net profit, after giving effect to certain special allocations, including with respect to the preferred return on preferred units, net income shall be allocated as follows:

first, to the general partner to the extent that net losses previously allocated to the general partner pursuant to the fourth clause relating to net losses below exceed net income previously allocated to the general partner;

second, to holders of Class A Common Units who have been allocated net losses pursuant to the third clause relating to net losses below exceed net income previously allocated to such partners pursuant to this clause, in proportion to their respective excess amounts;

third, to partners holding preferred units (in the order of their preference in distribution, if applicable) to the extent that net losses previously allocated to such partners pursuant to the second clause relating to net losses below exceed net income previously allocated to such partners pursuant to this clause;

fourth, to the holders of common units to the extent that net losses previously allocated to such partners pursuant to the first clause relating to net losses below exceed net income previously allocated to such partners pursuant to this clause; and

fifth, to the partners in accordance with their respective percentage interests in common units.

The partnership agreement also provides that if MAA LP operates at a net loss, after giving effect to certain special allocations, net losses shall be allocated as follows:

first, to the partners holding common units in accordance with their respective percentage interests in common units, until the adjusted capital account (less any amount of a deficit restoration obligation entered into by such partner) of each partner is reduced to zero;

second, to the partners holding preferred units in accordance with each such partner s respective percentage interests in the preferred units determined under the respective terms of the preferred units (in the reverse order of their preference in distribution, if applicable) until the adjusted capital account (less any amount of a deficit restoration obligation entered into by such partner) of each such partner is reduced to zero;

third, to those holders of Class A Common Units who have entered into a deficit restoration obligation, in proportion to their respective percentage interests in Class A Common Units until the adjusted capital account of each holder is zero; and

fourth, to the general partner.

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Liability of General Partner and Limited Partners

MAA, as the sole general partner of MAA LP, will be liable for all general recourse obligations of MAA LP to the extent not paid by MAA LP. MAA will not be liable for the nonrecourse obligations of MAA LP.

The limited partners of MAA LP will not be required to make additional contributions to MAA LP. Assuming that a limited partner does not take part in the control of the business of MAA LP and otherwise acts in conformity with the provisions of the partnership agreement, the liability of the limited partner for obligations of MAA LP under the partnership agreement and the TRULPA will be limited, subject to certain possible exceptions, generally to the loss of the limited partner s investment in MAA LP represented by his MAA LP units. Under the TRULPA, a limited partner may not receive a distribution from MAA LP if, at the time of the distribution and after giving effect thereto, the liabilities of MAA LP (other than liabilities to parties on account of their interests in MAA LP and liabilities for which recourse is limited to specified property of MAA LP) exceed the fair value of MAA LP s assets (other than the fair value of any property subject to nonrecourse liabilities of MAA LP but only to the extent of such liabilities). The TRULPA provides that a limited partner who receives a distribution knowing at the time that it violates the foregoing prohibition is liable to MAA LP for the amount of the distribution. Unless otherwise agreed, a limited partner who receives such a distribution will not be liable for the return of such distribution after the expiration of three years from the date of such distribution.

Maintenance of limited liability may require compliance with certain legal requirements of Tennessee and certain other jurisdictions. Limitations on the liability of a limited partner for the obligations of a limited partnership have not been clearly established in many jurisdictions. Accordingly, if it were determined that the right, or exercise of the right by the limited partners, to make certain amendments to the partnership agreement or to take other action pursuant to the partnership agreement constituted control of MAA LP s business for the purposes of the statutes of any relevant jurisdiction, the limited partners might be held personally liable for MAA LP s obligations. MAA LP will operate in a manner that the general partner deems reasonable, necessary and appropriate to preserve the limited liability of the limited partners.

Sales of Assets

Under the partnership agreement, MAA generally has the exclusive authority to determine whether, when and on what terms the assets of MAA LP will be sold; however, subject to certain limitations, MAA LP is restricted from selling, exchanging, mortgaging or conveying certain individual properties without the advance written consent of the contributor(s) of the particular property. A sale of all or substantially all of the assets of MAA LP (or a merger of MAA LP with another entity), nevertheless, requires an affirmative vote of three-fourths of the outstanding MAA LP units (including MAA LP units held by MAA).

Removal of the General Partner; Transfer of the General Partner s Interest

The partnership agreement provides that the limited partners may not remove MAA as general partner of MAA LP. MAA may not transfer any of its interests as general or limited partner in MAA LP except in connection with a merger or sale of all or substantially all its assets. MAA also may not sell all or substantially all of its assets, or enter into a merger unle