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. 333-190027

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.

(Exact name of registrant as specified in its charter)

Tennessee	**6798**	**62-1543819**

(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 registrant s 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)

Copies to:

Gilbert G. Menna, Esq. **Mark S. Opper, Esq.** **Goodwin Procter LLP** **The New York Times Building** **620 Eighth Avenue** **New York, New York 10018** **Tel: (212) 813-8800** **Fax: (212) 355-3333**	**Richard F. Mattern, Esq.** **Baker, Donelson, Bearman, Caldwell & Berkowitz, PC** **First Tennessee Building** **165 Madison Avenue, Suite 2000** **Memphis, Tennessee 38103** **Tel: (901) 526-2000** **Fax: (901) 577-2303**	**Paul D. Manca, Esq.** **Joseph E. Gilligan, Esq.** **Hogan Lovells US LLP** **Columbia Square** **555 Thirteenth Street, NW** **Washington, D.C. 20004** **Tel: (202) 637-5600** **Fax: (202) 637-5910**

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.

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):

Large Accelerated filer x

Accelerated filer ¨

Non-accelerated filer ¨ (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) ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price(2)	Amount of registration fee(3) (4)
Common Stock, $0.01 par value per share	33,567,969 shares	N/A	$2,242,131,222	$305,826.70

(1) Represents the estimated maximum number of shares of Mid-America Apartment Communities, Inc. s, or MAA, common stock, $0.01 par value per share, to be issued in connection with the merger described herein. The number of shares of common stock is based on (i) 93,244,357 common shares of beneficial interest of Colonial Properties Trust, or Colonial, $0.01 par value per share, or Colonial common shares, the estimated maximum number of Colonial common shares that may be cancelled and exchanged in the merger described herein and (ii) the exchange ratio of 0.360 shares of MAA common stock for each common share of beneficial interest of Colonial.

(2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f)(1) and 457(c) under the Securities Act. The proposed maximum aggregate offering price of the MAA common stock was calculated based upon the market value of Colonial common shares (the securities to be converted in the parent merger) in accordance with Rule 457(c) under the Securities Act as follows: the sum of (a) the product of (i) $24.15, the average of the high and low prices per Colonial common share on July 15, 2013, as quoted on the New York Stock Exchange, multiplied by (ii) 88,744,357, the estimated maximum number of Colonial common shares that may be cancelled and exchanged in connection with the merger described herein as of July 16, 2013 and (b) the product of (i) $21.99, the average of the high and low prices per Colonial common share on August 19, 2013, as quoted on the New York Stock Exchange, multiplied by (ii) 4,500,000 Colonial common shares, the estimated additional number of Colonial common shares that may be cancelled and exchanged in connection with the merger described herein as of August 20, 2013.

(3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to $136.40 per $1 million of the proposed maximum aggregate offering price.

(4) $292,329.24 of the registration fee was previously paid in connection with the filing of the initial Form S-4.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant 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 proxy statement/prospectus is not complete and may be changed. Mid-America Apartment Communities, Inc. may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/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

JOINT PROXY STATEMENT/PROSPECTUS

To the Shareholders of Mid-America Apartment Communities, Inc. and the Shareholders of Colonial Properties Trust:

The board of directors of Mid-America Apartment Communities, Inc., which we refer to as MAA, and the board of trustees of Colonial Properties Trust, which we refer to as Colonial, have each unanimously approved an agreement and plan of merger, dated as of June 3, 2013, by and among MAA, Mid-America Apartments, L.P., Martha Merger Sub, LP, Colonial and Colonial Realty Limited Partnership, which we refer to as the merger agreement. Pursuant to the merger agreement, MAA and Colonial will combine through a merger of Colonial with and into MAA, with MAA surviving the merger, which we refer to as the parent merger. If completed, we believe the parent merger will create the preeminent Sunbelt-focused multifamily real estate investment trust, or REIT, in the United States with a pro forma total market capitalization of approximately $8.7 billion and a pro forma equity market capitalization of approximately $5.4 billion, each as of June 30, 2013. The combined company, which we refer to as the Combined Corporation, will retain the name Mid-America Apartment Communities, Inc. and will continue to trade on the New York Stock Exchange, or NYSE, under the symbol MAA. H. Eric Bolton, Jr., will serve as the chairman and chief executive officer of the Combined Corporation following the parent merger. The obligations of MAA and Colonial to effect the parent merger are subject to the satisfaction or waiver of certain conditions set forth in the merger agreement (including the approvals of each company s shareholders).

If the parent merger is completed pursuant to the merger agreement, each Colonial shareholder will receive 0.360 shares of MAA common stock for each Colonial common share of beneficial interest, which we refer to as Colonial common shares, held immediately prior to the effective time of the parent merger, with cash paid for fractional Colonial common shares. MAA shareholders will continue to hold their existing shares of MAA common stock. The exchange ratio is fixed and will not be adjusted to reflect changes in the price of MAA common stock or the price of Colonial common shares occurring prior to the completion of the parent merger. MAA common stock is currently listed on the NYSE under the symbol MAA and Colonial common shares are currently listed on the NYSE under the symbol CLP. Based on the closing price of MAA common stock on the NYSE of $67.97 on May 31, 2013, the last trading date before the announcement of the proposed merger, the 0.360 exchange ratio represented approximately $24.47 in MAA common stock for each Colonial common share. Based on the closing price of MAA common stock on the NYSE of $62.26 on August 20, 2013, the latest practicable date before the date of this joint proxy statement/prospectus, the 0.360 exchange ratio represented approximately $22.41 in MAA common stock for each Colonial common share. **The value of the merger consideration will fluctuate with changes in the market price of MAA common stock. We urge you to obtain current market quotations for MAA common stock and Colonial common shares.**

We anticipate that MAA will issue approximately 31.9 million shares of MAA common stock in connection with the parent merger, will reserve approximately 1.6 million shares of MAA common stock in respect of Colonial equity awards that MAA will assume in connection with the parent merger, and will reserve approximately 2.6 million shares of MAA common stock in respect of the potential conversion of limited partnership units issued by Mid-America Apartments, L.P., which we refer to as MAA LP, to former limited partners of Colonial Realty Limited Partnership, which we refer to as Colonial LP. Upon completion of the parent merger, we estimate that continuing MAA equity holders will own approximately 56% of the issued and outstanding shares of common stock 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 to shares of Combined Corporation common stock of all limited partnership units issued by MAA LP to former limited partners of Colonial LP.

MAA and Colonial will each be holding a special meeting of their respective shareholders. At the MAA special meeting, MAA shareholders will be asked to vote on (i) a proposal to approve the merger agreement, the

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parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders, (ii) a proposal to approve the MAA 2013 Stock Incentive Plan, and (iii) a proposal to approve one or more adjournments of the MAA special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the proposal to approve and adopt the merger agreement, the parent merger and the other transactions contemplated by the merger agreement. At the Colonial special meeting, Colonial shareholders will be asked to vote on (i) a proposal to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger, dated as of June 3, 2013, between MAA and Colonial, and the other transactions contemplated by the merger agreement, (ii) an advisory (non-binding) proposal to approve compensation payable to certain executive officers of Colonial in connection with the parent merger, and (iii) a proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the proposal to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement.

The record date for determining the shareholders entitled to receive notice of, and to vote at, the MAA special meeting and the Colonial special meeting is August 22, 2013. The parent merger cannot be completed unless the MAA shareholders and Colonial shareholders each approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement by the affirmative vote of the holders of each of (i) a majority of the outstanding shares of MAA common stock entitled to vote on the parent merger and (ii) a majority of the outstanding Colonial common shares entitled to vote on the parent merger.

The MAA board of directors, which we refer to as the MAA Board, has unanimously (i) determined and declared that the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the issuance of MAA common stock to Colonial shareholders in connection with the parent merger, are advisable and in the best interests of MAA and its shareholders, and (ii) adopted and approved the merger agreement, the parent merger and the other transactions contemplated thereby. **The MAA Board unanimously recommends that MAA shareholders vote FOR the proposal to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders, FOR the proposal to approve the MAA 2013 Stock Incentive Plan and FOR the proposal to approve one or more adjournments of the MAA special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the proposal to approve and adopt the merger agreement, the parent merger and the other transactions contemplated by the merger agreement.**

The Colonial board of trustees, which we refer to as the Colonial Board, has unanimously (i) determined that the parent merger (including the plan of merger) and the other transactions contemplated by the merger agreement are advisable and in the best interests of Colonial and its shareholders, and (ii) approved and adopted the merger agreement and the plan of merger. **The Colonial Board unanimously recommends that Colonial shareholders vote FOR the proposal to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, FOR the advisory (non-binding) proposal to approve compensation payable to certain executive officers of Colonial in connection with the mergers, and FOR the proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the proposal to approve and adopt the merger agreement and the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement.**

This joint proxy statement/prospectus contains important information about MAA, Colonial, the parent merger, the merger agreement and the special meetings. This document is also a prospectus for shares of MAA common stock that will be issued to Colonial shareholders pursuant to the merger agreement. **We encourage you to read this joint proxy statement/prospectus carefully before voting, including the section entitled Risk Factors beginning on page 32.**

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the MAA special meeting or the Colonial special meeting, as applicable, please submit a proxy to vote your shares as promptly as possible to make sure that your shares of MAA common stock and/or Colonial common shares, as applicable, are represented at the applicable special meeting. Please review this

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joint proxy statement/prospectus for more complete information regarding the parent merger and the MAA special meeting and the Colonial special meeting, as applicable.

Sincerely,

H. Eric Bolton	Thomas H. Lowder
Chairman and Chief Executive Officer	Chairman and Chief Executive Officer
Mid-America Apartment Communities, Inc.	Colonial Properties Trust

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

This joint proxy statement/prospectus is dated [ ], 2013, and is first being mailed to MAA and Colonial shareholders on or about [ ], 2013.

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MID-AMERICA APARTMENT COMMUNITIES, INC.

6584 Poplar Avenue

Memphis, Tennessee 38138

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 27, 2013

To the Shareholders of Mid-America Apartment Communities, Inc.:

You are invited to attend a special meeting of shareholders of Mid-America Apartment Communities, Inc., a Tennessee corporation, which we refer to as MAA. The meeting will be held at 9:00 a.m., Central Daylight Time, on September 27, 2013, at MAA s corporate headquarters, 6584 Poplar Avenue, Memphis, Tennessee 38138 to consider and vote upon the following matters:

- a proposal to approve the Agreement and Plan of Merger, as it may be amended or modified from time-to-time, which we refer to as the merger agreement, by and among MAA, Mid-America Apartments, L.P., Martha Merger Sub, LP, Colonial Properties Trust, an Alabama real estate investment trust, which we refer to as Colonial, and Colonial Realty Limited Partnership, pursuant to which Colonial will merge with and into MAA, with MAA continuing as the surviving corporation, which we refer to as the parent merger, and the other transactions contemplated by the merger agreement, including the issuance of MAA common stock to Colonial shareholders in connection with the parent merger;

- a proposal to approve the MAA 2013 Stock Incentive Plan; and

- a proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the merger proposal.

THE MAA BOARD HAS UNANIMOUSLY ADOPTED AND APPROVED THE MERGER AGREEMENT, THE PARENT MERGER AND THE OTHER TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, AND UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ALL PROPOSALS.

MAA shareholders of record at the close of business on August 22, 2013 are entitled to receive this notice and vote at the MAA special meeting.

The proposal to approve the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of MAA common stock. **The parent merger cannot be completed without the approval by MAA shareholders of this proposal.** The proposals to approve the MAA 2013 Stock Incentive Plan and to adjourn the MAA special meeting require that the votes cast FOR each proposal exceed the votes cast AGAINST each proposal. Approval of the MAA 2013 Stock Incentive Plan is not a condition to the completion of the parent merger.

Please refer to the attached joint proxy statement/prospectus for further information with respect to the business to be transacted at the MAA special meeting.

Please refer to the proxy card and the accompanying joint proxy statement/prospectus for information regarding your voting options. Even if you plan to attend the MAA special meeting, please take advantage of one of the advance voting options to assure that your shares of MAA common stock are represented at the MAA special meeting. You may revoke your proxy at any time before it is voted by following the procedures described in the accompanying joint proxy statement/prospectus.

By Order of the Board of Directors

Leslie B.C. Wolfgang

Senior Vice President, Director of Investor Relations

and Corporate Secretary

Memphis, Tennessee

[ ], 2013

Your vote is important. Whether or not you expect to attend the MAA special meeting in person, we urge you to vote your shares of MAA common stock as promptly as possible by (1) accessing the internet website specified on your proxy card, (2) calling the toll-free number specified on your proxy card, or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares of MAA common stock may be represented and voted at the MAA special meeting. If your shares of MAA common stock are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished by the record holder of your shares of MAA common stock.

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Colonial Properties Trust

2101 Sixth Avenue North, Suite 750

Birmingham, Alabama 35203

(205) 250-8700

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 27, 2013

To the Shareholders of Colonial Properties Trust:

A special meeting of the shareholders of Colonial Properties Trust, an Alabama real estate investment trust, referred to in this joint proxy statement/prospectus as Colonial, will be held in the conference center on the 1st floor of the Colonial Brookwood Center, 569 Brookwood Village, Suite 131, Homewood, Alabama 35209 on September 27, 2013 commencing at 10:30 a.m., local time, for the following purposes:

1. **Approval and Adoption of Merger Agreement and Merger.** To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of June 3, 2013, as it may be amended or modified from time-to-time (referred to in the accompanying joint proxy statement/prospectus as the merger agreement), by and among Mid-America Apartment Communities, Inc., referred to in the accompanying joint proxy statement/prospectus as MAA, Colonial, Mid-America Apartments, L.P., Martha Merger Sub, LP and Colonial Realty Limited Partnership, pursuant to which, among other things, Colonial will be merged with and into MAA, with MAA surviving the parent merger (referred to in the accompanying joint proxy statement/prospectus as the parent merger), the parent merger pursuant to the Plan of Merger (referred to in the accompanying joint proxy statement/prospectus as the plan of merger) and the other transactions contemplated by the merger agreement;

2. **Approval of Executive Compensation Payable in Connection with the Merger.** To consider and cast an advisory (non-binding) vote upon a proposal to approve compensation payable to certain executive officers of Colonial in connection with the parent merger; and

3. **Adjournment of the Special Meeting.** To consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of proposal 1.

We do not expect to transact any other business at the Colonial special meeting. Shareholders of record at the close of business on August 22, 2013 are entitled to notice of and to vote at the Colonial special meeting and at any adjournment or postponement of the Colonial special meeting.

The merger agreement and plan of merger and the compensation payable under existing arrangements that certain executive officers of Colonial may receive in connection with the parent merger are more fully described in the accompanying joint proxy statement/prospectus, which we encourage you to read carefully and in its entirety before voting. A copy of the merger agreement is included as Annex A to the accompanying

joint proxy statement/prospectus, and a copy of the plan of merger is included as Annex B to the accompanying joint proxy statement/prospectus. The accompanying joint proxy statement/prospectus is a part of this notice.

All Colonial shareholders of record are cordially invited to attend the Colonial special meeting. **Even if you plan to attend the Colonial special meeting, we urge you to submit a valid proxy promptly.** If your Colonial common shares are registered in your own name, you may submit your proxy by (1) filling out and signing the proxy card, and then mailing your signed proxy card in the enclosed postage-paid reply envelope, (2) authorizing the voting of your shares over the Internet at *www.proxyvoting.com/colonial*, or (3) calling toll free (877) 215-9164 and following the instructions on the enclosed proxy card. If your Colonial common shares are held in street name, you should follow the enclosed instructions that your broker, bank, or other nominee has provided.

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Your vote is very important regardless of the number of Colonial common shares you own. We cannot complete the merger unless the merger agreement and parent merger pursuant to the plan of merger are approved and adopted by the affirmative vote of the holders of at least a majority of the outstanding Colonial common shares entitled to vote on such proposal. Accordingly, we urge you to review the enclosed materials and request that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying postage-paid reply envelope or submit your proxy over the Internet or by telephone.

Under Alabama law, Colonial shareholders who do not vote in favor of the proposal to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement will have the right to dissent from the parent merger and obtain payment of the fair value of their shares if the parent merger is consummated, but only if they submit a written notice of their intent to demand payment to Colonial prior to the Colonial special meeting and comply with the other requirements of Article 13 of the Alabama Business Corporation Law (the ABCL) explained in the joint proxy statement/prospectus accompanying this notice. A copy of the applicable ABCL statutory provisions is included as Annex H to the accompanying joint proxy statement/prospectus, and a summary of these provisions can be found under Dissenters Rights in the accompanying joint proxy statement/prospectus.

Colonial s board of trustees unanimously recommends that you vote **FOR** 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 as described in proposal 1, **FOR** approval, on an advisory (non-binding) basis, of the compensation payable to certain Colonial executive officers described in proposal 2 and **FOR** approval of one or more adjournments of the special meeting in accordance with proposal 3. Approval of proposals 1, 2 and 3 are subject to separate votes by Colonial s shareholders, and approval of the compensation arrangements in proposal 2 is not a condition to completion of the parent merger. Since the 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 in proposal 1 requires the affirmative vote of the holders of at least a majority of the outstanding Colonial common shares entitled to vote on proposal 1, if you fail to vote, if you fail to authorize your broker, bank or other nominee to vote on your behalf, or if you abstain from voting, the effect will be the same as if you had voted against the approval of the Colonial merger proposal.

By Order of the Board of Trustees of Colonial Properties Trust

John P. Rigrish

Chief Administrative Officer and Corporate Secretary

[ ], 2013

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about MAA and Colonial from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus by requesting them from MAA s or Colonial s proxy solicitor in writing or by telephone at the following addresses and telephone numbers:

If you are a MAA shareholder:	If you are a Colonial shareholder:
D.F. King & Co., Inc.	Morrow & Co., LLC
48 Wall Street	470 West Avenue
New York, NY 10005	Stamford, CT 06902
Telephone:	Telephone:
Banks and brokers: (212) 269-5550	Banks and brokers: (203) 658-9400
Shareholders: (800) 628-8532	Shareholders: (800) 460-1014

Investors may also consult MAA s or Colonial s website for more information concerning the mergers described in this joint proxy statement/prospectus. MAA s website is *www.maac.com*. Colonial s website is *www.colonialprop.com*. Additional information is available at *www.sec.gov*. Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

If you would like to request copies of any documents, please do so by September 18, 2013 in order to receive them before the special meetings.

For more information, see Where You Can Find More Information beginning on page 205.

ABOUT THIS DOCUMENT

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed by MAA (File No. 333-190027) with the Securities and Exchange Commission, which is referred to herein as the SEC, constitutes a prospectus of MAA for purposes of the Securities Act of 1933, as amended, which is referred to herein as the Securities Act, with respect to the shares of MAA common stock to be issued to Colonial shareholders in exchange for Colonial common shares pursuant to the Agreement and Plan of Merger, dated as of June 3, 2013, by and among MAA, Mid-America Apartments, L.P., Martha Merger Sub, LP, Colonial and Colonial Realty Limited Partnership, as such agreement may be amended or modified from time-to-time and which we refer to as the merger agreement. This joint proxy statement/prospectus also constitutes a proxy statement for each of MAA and Colonial for purposes of the Securities Exchange Act of 1934, as amended, which is referred to herein as the Exchange Act. In addition, it constitutes a notice of meeting with respect to the MAA special meeting and a notice of meeting with respect to the Colonial special meeting.

You should rely only on the information contained or incorporated by reference in this joint proxy statement/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 proxy statement/prospectus. This joint proxy statement/prospectus is dated [ ], 2013. You should not assume that the information contained in, or incorporated by reference into, this joint proxy statement/prospectus is accurate as of any date other than that date. Neither our mailing of this joint proxy statement/prospectus to MAA shareholders or Colonial shareholders nor the issuance by MAA of shares of its common stock to Colonial shareholders pursuant to the merger agreement will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, 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 proxy statement/prospectus regarding MAA has been provided by MAA and information contained in this joint proxy statement/prospectus regarding Colonial has been provided by Colonial.

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QUESTIONS AND ANSWERS

The following are answers to some questions that MAA shareholders and Colonial shareholders may have regarding the proposed transaction between MAA and Colonial and the other proposals being considered at the MAA special meeting and the Colonial special meeting. MAA and Colonial urge you to read carefully this entire joint proxy statement/prospectus, including the Annexes, and the documents incorporated by reference into this joint proxy statement/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 proxy statement/prospectus to:

MAA are to Mid-America Apartment Communities, Inc., a Tennessee corporation; all references to 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;

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 or modified from time-to-time, a copy of which is attached as Annex A to this joint proxy statement/prospectus and is incorporated herein by reference;

the plan of merger are to the Plan of Merger, dated as of June 3, 2013, by and between MAA and Colonial, as it may be amended from time-to-time, a copy of which is attached as Annex B to this joint proxy statement/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; and

the NYSE are to the New York Stock Exchange.

Q: What is the proposed transaction?

A: MAA and Colonial are proposing a combination of their companies through the merger of Colonial with and into MAA, with MAA continuing as the surviving entity, pursuant to the terms of the merger agreement. The Combined Corporation will be named Mid-America Apartment Communities, Inc. and the shares of the Combined Corporation common stock will be listed and traded on the NYSE under the symbol MAA.

The merger agreement also provides for the merger of OP Merger Sub with and into Colonial LP, with Colonial LP continuing as the surviving entity as an indirect wholly-owned subsidiary of MAA LP.

Q: What will happen in the proposed transaction?

A: As a result of the parent merger, each issued and outstanding Colonial common share (other than shares with respect to which dissenters rights have been properly exercised and not withdrawn under applicable

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law) will be converted automatically into the right to receive 0.360 shares of common stock, par value $0.01 per share, of the Combined Corporation, as described under The Merger Agreement Merger Consideration; Effects of the Parent Merger and the Partnership Merger beginning on page 152. Colonial shareholders will not receive any fractional shares of MAA common stock in the parent merger. Instead, Colonial shareholders will be paid cash (without interest) in lieu of any fractional share interest to which they would otherwise be entitled.

As a result of the partnership merger, each outstanding limited partnership interest in Colonial LP will be converted automatically into 0.360 limited partnership units in MAA LP.

Q: How will MAA shareholders be affected by the parent merger and the issuance of shares of MAA common stock to Colonial shareholders in the parent merger?

A: After the mergers, each MAA shareholder will continue to own the shares of MAA common stock that the shareholder held immediately prior to the parent merger. As a result, each MAA shareholder will own shares of common stock in the Combined Corporation, a larger company with more assets. However, because MAA will be issuing new shares of MAA common stock to Colonial shareholders in the parent merger, each outstanding share of MAA common stock immediately prior to the parent merger will represent a smaller percentage of the aggregate number of shares of Combined Corporation common stock outstanding after the mergers. Upon completion of the parent merger, we estimate 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 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 to shares of Combined Corporation common stock of all limited partnership units issued by MAA LP to former limited partners of Colonial LP.

Q: What happens if the market price of shares of MAA common stock or Colonial common shares changes before the closing of the parent merger?

A: No change will be made to the exchange ratio of 0.360 if the market price of shares of MAA common stock or Colonial common shares changes before the parent merger. Because the exchange ratio is fixed, the value of the consideration to be received by Colonial shareholders in the parent merger will depend on the market price of shares of MAA common stock at the time of the parent merger.

Q: Why am I receiving this joint proxy statement/prospectus?

A: The MAA Board and the Colonial Board are using this joint proxy statement/prospectus to solicit proxies of MAA and Colonial shareholders in connection with the merger agreement and the parent merger. In addition, MAA is using this joint proxy statement/prospectus as a prospectus for Colonial shareholders because MAA is offering shares of its common stock to be issued in exchange for Colonial common shares in the parent merger. The parent merger cannot be completed unless:

- the holders of MAA common stock vote to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger; and

- the holders of Colonial common shares vote to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement.

Each of MAA and Colonial will hold separate meetings of their respective shareholders to obtain these approvals and to consider other proposals as described elsewhere in this joint proxy statement/prospectus.

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This joint proxy statement/prospectus contains important information about the parent merger and the other proposals being voted on at the shareholder meetings and you should read it carefully. The enclosed voting materials allow you to vote your shares of MAA common stock and/or Colonial common shares, as applicable, without attending your company s shareholders meeting.

Your vote is important. You are encouraged to submit your proxy as promptly as possible.

Q: Am I being asked to vote on any other proposals at the shareholder meetings in addition to the parent merger proposal?

A: *MAA*. At the MAA special meeting, MAA shareholders will be asked to consider and vote upon the following additional proposals:

A proposal to approve the MAA 2013 Stock Incentive Plan to replace the Mid-America Apartment Communities, Inc. 2004 Stock Plan, which expires by its terms on October 31, 2013; and

A proposal to adjourn the MAA special meeting, if necessary to approve one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the proposal to approve and adopt the merger agreement, the parent merger and the other transactions contemplated by the merger agreement.

Colonial. At the Colonial special meeting, Colonial shareholders will be asked to consider and vote upon the following additional proposals:

An advisory (non-binding) proposal to approve compensation payable to certain executive officers of Colonial in connection with the mergers; and

A proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the proposal to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement.

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. The Combined Corporation is expected to have significant liquidity, greater access to multiple forms of capital, an improved investment grade rating with limited near-term debt maturities and a lower cost of capital than either MAA or Colonial on a standalone basis. The increased size and diversification of the Combined Corporation s portfolio is expected to enhanced its competitive advantage across the Sunbelt region, and synergies and advantages generated by the mergers are expected to drive higher margins. To review the reasons of the MAA Board and the Colonial Board for the mergers in greater detail, see The Parent Merger Recommendation of the MAA Board and Its Reasons for the Parent Merger beginning on page 88 and The Parent Merger Recommendation of the Colonial Board and Its Reasons for the Parent Merger beginning on page 92.

Q: Who will be the board of directors and management of the Combined Corporation after the parent merger?

A:

At the effective time of the parent merger, the number of directors that comprise the board of directors of the Combined Corporation will be twelve, with all seven of the 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

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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. 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 and Colonial continue to pay distributions prior to the effective time of the parent merger?

A: Yes. 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 share 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 share 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: When and where are the shareholder meetings?

A: The MAA special meeting will be held at MAA corporate headquarters, 6584 Poplar Avenue, Memphis, Tennessee 38138 on September 27, 2013 commencing at 9:00 a.m., local time.

The Colonial special meeting will be held at in the conference center on the 1st floor of the Colonial Brookwood Center, 569 Brookwood Village, Suite 131, Homewood, Alabama 35209 on September 27, 2013 commencing at 10:30 a.m., local time.

Q: Who can vote at the shareholder meetings?

A: *MAA*. All MAA shareholders of record as of the close of business on August 22, 2013, the record date for determining shareholders entitled to notice of and to vote at the MAA special meeting, are entitled to receive notice of and to vote at the MAA special meeting. As of the record date, there were 42,740,450 shares of MAA common stock outstanding and entitled to vote at the MAA special meeting, held by approximately 1,500 holders of record. Each share of MAA common stock is entitled to one vote on each proposal presented at the MAA special meeting.

Colonial. All Colonial shareholders of record as of the close of business on August 22, 2013, the record date for determining shareholders entitled to notice of and to vote at the Colonial special meeting, are entitled to receive notice of and to vote at the Colonial special meeting. As of the record date, there were 88,828,342 Colonial common shares outstanding and entitled to vote at the Colonial special meeting, held by approximately 2,381 holders of record. Each Colonial common share is entitled to one vote on each proposal presented at the Colonial special meeting.

Q: What constitutes a quorum?

A: *MAA*. MAA s bylaws provide that the presence, in person or by proxy, of holders of a majority of the shares of MAA common stock outstanding on the MAA record date will constitute a quorum.

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Colonial. Colonial s bylaws provide that the presence, in person or by proxy, of shareholders entitled to cast a majority of all the votes entitled to be cast at such meeting will constitute a quorum.

Shares that are voted, in person or by proxy, and shares abstaining from voting are treated as present at each of the MAA special meeting and the Colonial special meeting, respectively, for purposes of determining whether a quorum is present.

Q: What vote is required to approve the proposals?

A: *MAA*.

Approval of the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger, requires the affirmative vote of holders of at least a majority of the outstanding shares of MAA common stock.

Approval of the MAA 2013 Stock Incentive Plan requires the votes cast FOR the proposal exceed the votes cast AGAINST the proposal.

Approval of one or more adjournments of the MAA special meeting requires the votes cast FOR the proposal exceed the votes cast AGAINST the proposal.

Colonial.

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 requires the affirmative vote of the holders of at least a majority of the Colonial common shares outstanding as of the record date for the special meeting.

Approval, on an advisory (non-binding) basis, of the compensation payable to certain executive officers of Colonial in connection with the mergers will require the affirmative vote of the holders of a majority of the Colonial common shares present in person or represented by proxy at the Colonial special meeting and entitled to vote on the proposal.

Approval of one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger, will require the affirmative vote of the holders of a majority of the Colonial common shares present in person or represented by proxy at the Colonial special meeting and entitled to vote on this proposal.

Q: How does the MAA Board recommend that MAA shareholders vote on the proposals?

A: After careful consideration, the MAA Board has unanimously determined and declared that the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger, are advisable and in the best interests of MAA and its shareholders and approved and adopted the merger agreement, the parent merger and the other transactions contemplated by the merger agreement. The MAA Board unanimously recommends that MAA shareholders vote **FOR** the proposal to approve the merger agreement, the parent merger and the other transactions

contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger, **FOR** the proposal to approve the MAA 2013 Stock Incentive Plan and **FOR** the proposal to approve one or more adjournments of the MAA special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the proposal to approve and adopt the merger agreement and the parent merger.

For a more complete description of the recommendation of the MAA Board, see The Parent Merger Recommendation of the MAA Board and Its Reasons for the Parent Merger beginning on page 88.

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Q: How does the Colonial Board recommend that Colonial shareholders vote on the proposals?

A: The Colonial Board has unanimously determined that the parent merger (including the plan of merger) and the other transactions contemplated by the merger agreement are advisable and in the best interests of Colonial and its shareholders, and approved and adopted the merger agreement and the plan of merger. The Colonial Board unanimously recommends that Colonial shareholders vote **FOR** the proposal to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, **FOR** the advisory (non-binding) proposal to approve compensation payable to certain executive officers of Colonial in connection with the mergers, and **FOR** the proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the proposal to approve and adopt the merger agreement and the parent merger pursuant to the plan of merger.

For a more complete description of the recommendation of the Colonial Board, see The Parent Merger Recommendation of the Colonial Board and Its Reasons for the Parent Merger beginning on page 92.

Q: Have any shareholders already agreed to approve the mergers?

A: Pursuant to separate voting agreements, certain directors, officers and shareholders of MAA, who together as of August 20, 2013 owned approximately 0.36% of the outstanding shares of MAA common stock, have agreed to vote in favor of the parent merger and the other transactions contemplated by the merger agreement, and certain limited partners of MAA LP, who together as of August 20, 2013 owned approximately 37.37% of the outstanding limited partnership interests of MAA LP, have agreed to vote in favor of the partnership merger, the other transactions contemplated by the merger agreement and the amendment and restatement of the limited partnership agreement of MAA LP, subject to the terms and conditions of the respective voting agreements, as described under Voting Agreements beginning on page 172.

Pursuant to separate voting agreements, certain trustees, officers and shareholders of Colonial, who together as of August 20, 2013 owned approximately 3.9% of the outstanding Colonial common shares, have agreed to vote in favor of the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, subject to the terms and conditions of the respective voting agreements, as described under Voting Agreements beginning on page 172.

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

A: In addition to the approvals of the shareholders of each of MAA and Colonial of the parent merger and the other transactions contemplated by the merger agreement, there are a number of conditions that must be satisfied or waived for the mergers to be consummated. Among other things, the partnership merger and the amendment and restatement of the limited partnership agreement of MAA LP must be approved 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. For a description of all of the conditions to the mergers, see The Merger Agreement Conditions to Completion of the Mergers beginning on page 165.

Q: Are there risks associated with the parent merger that I should consider in deciding how to vote?

A: Yes. There are a number of risks related to the parent merger that are discussed in this joint proxy statement/ prospectus described in the section entitled Risk Factors beginning on page 32.

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Q: If my shares of MAA common stock or my Colonial common shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares of MAA common stock or my Colonial common shares for me?

A: No. Unless you instruct your broker, bank or other nominee how to vote your shares of MAA common stock and/or your Colonial common shares, as applicable, held in street name, your shares will NOT be voted. This is referred to as a broker non-vote. If you hold your shares of MAA common stock and/or your Colonial common shares in a stock brokerage account or if your shares are held by a bank or other nominee (that is, in street name), you must provide your broker, bank or other nominee with instructions on how to vote your shares.

Q: What happens if I do not vote for a proposal?

A: *MAA*. If you are a MAA shareholder and fail to vote, fail to instruct your broker, bank or nominee to vote, or abstain from voting:

with respect to the proposal to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger, it will have the same effect as a vote AGAINST this proposal;

with respect to the MAA 2013 Stock Incentive Plan proposal, if you abstain, fail to vote or fail to instruct your broker, bank or nominee to vote, it will have no effect on the outcome of the vote for this proposal; and

with respect to the adjournment proposal, it will have no effect on the outcome of the vote for this proposal.

Colonial. If you are a Colonial shareholder and fail to vote, fail to instruct your broker, bank or nominee to vote, or abstain from voting:

with respect to the proposal to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, it will have the same effect as a vote AGAINST this proposal;

with respect to the advisory (non-binding) proposal to approve compensation payable to certain executive officers of Colonial in connection with the mergers, an abstention from voting will have the same effect as voting AGAINST this proposal; if you fail to vote or fail to instruct your broker, bank or nominee to vote, your Colonial common shares will not affect whether this proposal is approved; and

with respect to the adjournment proposal, an abstention from voting will have the same effect as voting AGAINST this proposal; if you fail to vote or fail to instruct your broker, bank or nominee to vote, your Colonial common shares will not affect whether this proposal is approved.

Q: Will my rights as a shareholder change as a result of the parent merger?

A: The rights of the MAA shareholders will be substantially unchanged as a result of the parent merger. Colonial shareholders will have different rights following the effective time of the parent merger due to the differences between the governing documents of MAA and Colonial. At the effective time of the parent merger, the charter and bylaws of MAA will thereafter be the charter and bylaws of the Combined Corporation. For more information regarding the differences in shareholder rights, see Comparison of Rights of Shareholders of

MAA and Shareholders of Colonial beginning on page 186.

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Q: When are the mergers expected to be completed?

A: MAA and Colonial expect to complete the mergers as soon as reasonably practicable following satisfaction of all of the required conditions. If the shareholders of both MAA and Colonial approve the mergers, 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 guaranty that the conditions to the mergers will be satisfied or that the mergers will close.

Q: Do I need to do anything with my share certificates now?

A: No. You should not submit your share certificates at this time. After the parent merger is completed, if you held Colonial common shares, the exchange agent for the Combined Corporation will send you a letter of transmittal and instructions for exchanging your Colonial common shares for shares of the Combined Corporation common stock pursuant to the terms of the merger agreement. Upon surrender of a certificate or book-entry share for cancellation along with the executed letter of transmittal and other required documents described in the instructions, a Colonial shareholder will receive shares of common stock of the Combined Corporation pursuant to the terms of the merger agreement.

If you are a MAA shareholder, you are not required to take any action with respect to your MAA shares. Such shares will represent shares of the Combined Corporation after the parent merger.

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

A: It is intended that the parent merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to herein as the Code. The closing of the parent merger is conditioned on the receipt by each of MAA and Colonial of an opinion from its respective counsel to the effect that the parent merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the parent merger qualifies as a reorganization, U.S. holders of Colonial common shares generally will not recognize gain or loss for U.S. federal income tax purposes upon the receipt of Combined Corporation common stock in exchange for Colonial common shares in connection with the parent merger, except with respect to cash received in lieu of fractional shares of Combined Corporation common stock. Holders of Colonial common shares should read the discussion under the heading The Parent Merger Material U.S. Federal Income Tax Consequences of the Parent Merger beginning on page 125 and consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the parent merger.

Q: Are MAA and Colonial shareholders entitled to appraisal rights?

A: Each shareholder of an Alabama real estate investment trust has the same appraisal rights as a shareholder of an Alabama business corporation under the Alabama Business Corporation Law, or ABCL. Pursuant to the ABCL, holders of Colonial common shares are entitled to dissent and demand payment for their shares at fair value plus accrued interest. MAA s obligation to close the mergers will be conditioned on holders of no more than 15% of the outstanding Colonial common shares properly perfecting their right to dissent and demand cash payment for their Colonial common shares.

MAA shareholders are not entitled to exercise dissenters rights in connection with the parent merger. See Dissenters Rights beginning on page 177 for more information on the applicable provisions of the ABCL.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus, please respond by completing, signing and dating your proxy card or voting instruction card and returning it in the enclosed preaddressed postage-paid envelope or, if available, by submitting your proxy by one of the other methods specified in your proxy

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card or voting instruction card as promptly as possible so that your shares of MAA common stock and/or your Colonial common shares will be represented and voted at the MAA special meeting or the Colonial special meeting, as applicable.

Please refer to your proxy card or voting instruction card forwarded by your broker, bank or other nominee to see which voting options are available to you.

The method by which you submit a proxy will in no way limit your right to vote at the MAA special meeting or the Colonial special meeting, as applicable, if you later decide to attend the meeting in person. However, if your shares of MAA common stock or your Colonial common shares are held in the name of a broker, bank or other nominee, you must obtain a legal proxy, executed in your favor, from your broker, bank or other nominee, to be able to vote in person at the MAA special meeting or the Colonial special meeting, as applicable.

Q: How will my proxy be voted?

A: All shares of MAA common stock entitled to vote and represented by properly completed proxies received prior to the MAA special meeting, and not revoked, will be voted at the MAA special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your shares of MAA common stock should be voted on a matter, the shares of MAA common stock represented by your proxy will be voted as the MAA Board recommends and therefore **FOR** the proposal to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger, **FOR** the proposal to approve the MAA 2013 Stock Incentive Plan, and **FOR** the proposal to adjourn the MAA special meeting, if necessary or appropriate in the view of the MAA Board, to solicit additional proxies in favor of the proposals if there are not sufficient votes at the time of such adjournment to approve such proposals. If you do not provide voting instructions to your broker, bank or other nominee, your shares of MAA common stock will NOT be voted at the MAA special meeting and will be considered broker non-votes.

All Colonial common shares entitled to vote and represented by properly completed proxies received prior to the Colonial special meeting, and not revoked, will be voted at the Colonial special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your Colonial common shares should be voted on a matter, the Colonial common shares represented by your proxy will be voted as the Colonial Board recommends and therefore **FOR** the proposal to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, **FOR** the advisory (non-binding) proposal to approve compensation payable to certain executive officers of Colonial in connection with the mergers and **FOR** the proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of 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. If you do not provide voting instructions to your broker, bank or other nominee, your Colonial common shares will NOT be voted at the Colonial special meeting and will be considered broker non-votes.

Q: Can I revoke my proxy or change my vote after I have delivered my proxy?

A: Yes. You may revoke your proxy or change your vote at any time before your proxy is voted at the MAA special meeting or the Colonial special meeting, as applicable. If you are a holder of record, you can do this in any of the three following ways:

by sending a written notice to the corporate Secretary of MAA or the corporate Secretary of Colonial, as applicable, in time to be received before the MAA special meeting or the Colonial special meeting, as applicable, stating that you would like to revoke your proxy;

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by completing, signing and dating another proxy card and returning it by mail in time to be received before the MAA special meeting or the Colonial special meeting, as applicable, or by submitting a later dated proxy by the Internet or telephone in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

by attending the MAA special meeting or the Colonial special meeting, as applicable, and voting in person. Simply attending the MAA special meeting or the Colonial special meeting, as applicable, without voting will not revoke your proxy or change your vote.

If your shares of MAA common stock or your Colonial common shares are held in an account at a broker, bank or other nominee and you desire to change your vote or vote in person, you should contact your broker, bank or other nominee for instructions on how to do so.

Q: What does it mean if I receive more than one set of voting materials for the MAA special meeting or the Colonial special meeting?

A: You may receive more than one set of voting materials for the MAA special meeting and/or the Colonial special meeting, as applicable, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares of MAA common stock or your Colonial common shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares of MAA common stock or your Colonial common shares. If you are a holder of record and your shares of MAA common stock or Colonial common shares are registered in more than one name, you may receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or, if available, please submit your proxy by telephone or over the Internet.

Q: What happens if I am a shareholder of both MAA and Colonial?

A: You will receive separate proxy cards for each entity and must complete, sign and date each proxy card and return each 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 for each entity.

Q: Do I need identification to attend the MAA or Colonial special meeting in person?

A: Yes. Please bring proper identification, together with proof that you are a record owner of shares of MAA common stock or Colonial common shares, as the case may be. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement showing that you beneficially owned shares of MAA common stock or Colonial common shares, as applicable, on the applicable record date.

Q: Will a proxy solicitor be used?

A: Yes. MAA has engaged D.F. King & Co., Inc., referred to herein as D.F. King, to assist in the solicitation of proxies for the MAA special meeting, and MAA estimates it will pay D.F. King a fee of approximately $20,000. MAA has also agreed to reimburse D.F. King for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify D.F. King against certain losses, costs and expenses. In addition to mailing proxy solicitation material, MAA s directors, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to MAA s directors, officers or employees for such services.

Colonial has engaged Morrow & Co., LLC, referred to herein as Morrow & Co., to assist in the solicitation of proxies for the Colonial special meeting and Colonial estimates it will pay Morrow & Co. a fee of approximately $25,000. Colonial has also agreed to reimburse Morrow & Co. for reasonable out-of-pocket

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expenses and disbursements incurred in connection with the proxy solicitation and to indemnify Morrow & Co. against certain losses, costs and expenses. In addition to mailing proxy solicitation material, Colonial s trustees, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to Colonial s trustees, officers or employees for such services.

Q: Who can answer my questions?

A: If you have any questions about the parent merger or the other matters to be voted on at the special meetings or how to submit your proxy or need additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact:

If you are a MAA shareholder:	If you are a Colonial shareholder:
D.F. King & Co., Inc.	Morrow & Co., LLC
48 Wall Street	470 West Avenue
New York, NY 10005	Stamford, CT 06902
Telephone:	Telephone:
Banks and brokers: (212) 269-5550	Banks and brokers: (203) 658-9400
Shareholders: (800) 628-8532	Shareholders: (800) 460-1014

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SUMMARY

The following summary highlights some of the information contained in this joint proxy statement/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, MAA and Colonial encourage you to read carefully this entire joint proxy statement/prospectus, including the attached Annexes and the other documents to which we have referred you because this section does not provide all the information that might be important to you with respect to the mergers and the other matters being considered at the applicable special meeting. See also the section entitled Where You Can Find More Information beginning on page 205. We have included page references to direct you to a more complete description of the topics presented in this summary.

The Companies

Mid-America Apartment Communities, Inc. (See page 46)

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. 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, 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 (See page 46)

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

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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 and Colonial had 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 Combined Corporation (See page 47)

The Combined Corporation will be named Mid-America Apartment Communities, Inc. and will be a Tennessee corporation that is a self-administered REIT, which has elected to be taxed as a REIT under the Code. The Combined Corporation will be 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 $5.4 billion, and a total market capitalization in excess of $8.7 billion as of June 30, 2013. 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 will 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 and will be structured as a traditional UPREIT. 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.

The Mergers

The Merger Agreement (See page 151)

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

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The Mergers (See page 68)

Subject to the terms and conditions of the merger agreement, at the effective time of the parent merger, Colonial will merge with and into MAA, which is referred to herein as the parent merger, with MAA surviving the parent merger, which is referred to herein as the Combined Corporation. The shares of common stock of the Combined Corporation are expected to be listed and traded on the NYSE under the symbol MAA. 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 indirectly wholly owned subsidiary of MAA LP, which is referred to herein as the partnership merger, and, together with the parent merger, are referred to herein as the mergers.

Upon completion of the parent merger, 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 to shares of Combined Corporation common stock of all limited partnership units issued by MAA LP to former limited partners of Colonial LP.

The Merger Consideration (See page 152)

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 ratio is fixed and will not be adjusted for changes in the market value of MAA common stock or Colonial common shares. Because of this, the implied value of the consideration to be received by Colonial shareholders in the parent merger 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 merger, the exchange ratio represented approximately $24.47 in MAA common stock for each Colonial common share. 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 proxy statement/prospectus, the exchange ratio represented approximately $22.41 in MAA common stock for each Colonial common share.

You are urged to obtain current market prices of shares of MAA common stock and Colonial common shares. You are cautioned that the trading price of the common stock of the Combined Corporation after the mergers may be affected by factors different from those currently affecting the trading prices of MAA common stock and Colonial common shares, and therefore, the historical trading prices of MAA and Colonial may not be indicative of the trading price of the Combined Corporation. See the risks related to the mergers and the related transactions described under the section Risk Factors Risk Factors Relating to the Mergers beginning on page 32.

Voting Agreements (See page 172)

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 outstanding limited partnership units in MAA LP, and the Colonial trustees who are a party to a Voting Agreement with MAA and

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MAA LP collectively owned approximately 3.9% of the outstanding Colonial common shares and approximately 3.5% of the outstanding limited partnership units in Colonial LP (including the limited partnership 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, limited partnership units in MAA LP or, in the event of any vote by limited partners of Colonial LP, limited partnership units in Colonial LP, 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 The Merger Agreement Covenants and Agreements No Solicitation of Transactions on page 160) 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 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 proxy statement/prospectus and are incorporated herein by reference. For more information see Voting Agreements beginning on page 172.

Recommendation of the MAA Board (See page 88)

After careful consideration, the MAA Board has unanimously determined and declared that the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger, which is collectively referred to herein as the MAA merger proposal, are advisable and in the best interests of MAA and its shareholders and unanimously adopted and approved the merger agreement, the parent merger and the other transactions contemplated by the merger agreement. The MAA Board unanimously recommends that MAA shareholders vote **FOR** the MAA merger proposal, **FOR** the proposal to approve the MAA 2013 Stock Incentive Plan and **FOR** the proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger.

Recommendation of the Colonial Board (See page 92)

After careful consideration, and based in part on the unanimous recommendation of the transaction committee of the Colonial Board, the Colonial Board unanimously (i) determined that the parent merger (including the plan of merger) and the other transactions contemplated by the merger agreement are advisable and in the best interests of Colonial and its shareholders, (ii) approved and adopted the merger agreement and the plan of merger, (iii) directed that a proposal to approve and adopt the merger agreement and the parent merger pursuant to the plan of merger be submitted for consideration at a meeting of Colonial s shareholders and (iv) recommended the approval and adoption of the merger agreement and the parent merger pursuant to the plan

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of merger by Colonial s shareholders. The Colonial Board unanimously recommends that Colonial shareholders vote **FOR** the proposal to approve and adopt the merger agreement, the parent merger pursuant to plan of merger and the other transactions contemplated by the merger agreement, **FOR** the proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Colonial in connection with the mergers, and **FOR** the proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of 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.

Summary of Risk Factors Related to the Merger (See page 32)

You should consider carefully all of the risk factors together with all of the other information included in this joint proxy statement/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 32.

The exchange ratio is fixed and will not be adjusted in the event of any change in the share prices of either MAA or Colonial.

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 limited partnership interests of MAA LP.

MAA and Colonial shareholders will be diluted by the parent merger.

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.

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

If the parent merger does not qualify as a tax-free reorganization, Colonial or MAA shareholders may recognize a taxable gain.

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 Colonial shareholders.

The MAA Special Meeting (See page 48)

The MAA special meeting will be held at MAA corporate headquarters, 6584 Poplar Avenue, Memphis, Tennessee 38138, on September 27, 2013, at 9:00 a.m., Central Daylight Time.

At the MAA special meeting, MAA shareholders will be asked to consider and vote upon the following matters:

a proposal to approve the MAA merger proposal;

a proposal to approve the MAA 2013 Stock Incentive Plan; and

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- a proposal to approve one or more adjournments of the MAA special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger.

Approval of the MAA merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of MAA common stock.

Approval of the MAA 2013 Stock Incentive Plan requires the votes cast FOR the proposal exceed the votes cast AGAINST the proposal.

Approval of the adjournment of the MAA special meeting requires the votes cast FOR the proposal exceed the votes cast AGAINST the proposal.

At the close of business on the record date, directors and executive officers of MAA and their affiliates were entitled to vote 302,780 shares of MAA common stock, or approximately 0.71% of the shares of MAA common stock issued and outstanding on that date. Messrs. Bolton and Sanders have entered into voting agreements that obligate them to vote FOR the MAA merger proposal. Additionally, MAA currently expects that the other MAA directors and executive officers will vote their shares of MAA common stock in favor of the MAA merger proposal as well as the other proposals to be considered at the MAA special meeting, although none of them is obligated to do so.

Your vote as a MAA shareholder is very important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the MAA special meeting in person.

The Colonial Special Meeting (See page 60)

The Colonial special meeting will be held in the conference center on the 1st floor of the Colonial Brookwood Center, 569 Brookwood Village, Suite 131, Homewood, Alabama 35209 on September 27, 2013 at 10:30 a.m., Central Daylight Time.

At the Colonial special meeting, Colonial shareholders will be asked to consider and vote upon the following matters:

- a proposal to approve and adopt the merger agreement and the parent merger pursuant to the plan of merger, which we sometimes refer to as the Colonial merger proposal;

- a proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Colonial in connection with the mergers; and

- a proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of 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 Colonial common shares outstanding as of the record date for the Colonial special meeting.

Approval, on an advisory (non-binding) basis, of the compensation payable to certain executive officers of Colonial in connection with the mergers will require the affirmative vote of the holders of a majority of the Colonial common shares present in person or represented by proxy at the Colonial special meeting and entitled to vote on this proposal. An abstention from voting on this proposal will have the same effect as voting against this proposal.

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Approval of one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger, will require the affirmative vote of the holders of a majority of the Colonial common shares present in person or represented by proxy at the Colonial special meeting and entitled to vote on this proposal.

At the close of business on the record date, trustees and executive officers of Colonial and their affiliates were entitled to vote 5,909,185 Colonial common shares, or approximately 6.7% of the Colonial common shares issued and outstanding on that date. Messrs. T. Lowder, J. Lowder and Ripps have entered into voting agreements that obligate them to vote FOR the Colonial merger proposal. Additionally, Colonial currently expects that the other Colonial trustees and executive officers will vote their Colonial common shares in favor of the Colonial merger proposal as well as the other proposals to be considered at the Colonial special meeting, although none of them is obligated to do so.

Your vote as a Colonial shareholder is very important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the Colonial special meeting in person.

Opinions of Financial Advisors

Opinion of MAA s Financial Advisor (See page 98)

J.P. Morgan Securities LLC, which we refer to herein as J.P. Morgan, rendered its oral opinion, subsequently confirmed in writing, to the MAA Board that, as of June 1, 2013, and based upon and subject to the factors and assumptions set forth in its opinion, the exchange ratio of 0.360 provided for in the parent merger was fair, from a financial point of view, to MAA. The full text of the written opinion of J.P. Morgan dated June 1, 2013, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex F to this joint proxy statement/prospectus and is incorporated herein by reference. **You are urged to read the opinion in its entirety. J.P. Morgan s written opinion is addressed to the MAA Board, is directed only to the exchange ratio in the parent merger and does not constitute a recommendation to any shareholder of MAA as to how such shareholder should vote at the MAA special meeting. The summary of the opinion of J.P. Morgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion.**

See The Parent Merger Opinion of MAA s Financial Advisor beginning on page 98.

Opinion of Colonial s Financial Advisor (See page 104)

Colonial s financial advisor, Merrill Lynch, Pierce, Fenner & Smith Incorporated, referred to as BofA Merrill Lynch, delivered a written opinion, dated June 2, 2013, to the Colonial Board as to the fairness, from a financial point of view and as of such date, to the holders of Colonial common shares of the exchange ratio provided for in the parent merger. The full text of BofA Merrill Lynch s written opinion, dated June 2, 2013, is attached as Annex G to this joint proxy statement/prospectus and sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by BofA Merrill Lynch in rendering its opinion. **BofA Merrill Lynch delivered its opinion to the Colonial Board for the benefit and use of the Colonial Board (in its capacity as such) in connection with and for purposes of its evaluation of the exchange ratio provided for in the parent merger from a financial point of view. BofA Merrill Lynch s opinion did not address any other aspect of the mergers and no opinion or view was expressed as to the relative merits of the mergers in comparison to other strategies or transactions that might be available to Colonial or in which Colonial might engage or as to the underlying business decision of Colonial to proceed with or effect the mergers. BofA Merrill Lynch also expressed no opinion or recommendation as to how any shareholder should vote or act in connection with the mergers or any other matter.**

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See The Parent Merger Opinion of Colonial s Financial Advisor beginning on page 104.

Treatment of the Colonial Equity Incentive Plans (See page 153)

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.

See The Merger Agreement Merger Consideration; Effects of the Parent Merger and the Partnership Merger Assumption of Colonial Equity Incentive Plans by MAA beginning on page 153.

Directors and Management of MAA After the Mergers (See page 152)

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 MAA Board 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 117)

In considering the recommendation of the MAA Board to approve the parent merger and the other transactions contemplated by the merger agreement, MAA shareholders 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 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 118)

In considering the recommendation of the Colonial Board to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, Colonial shareholders should be aware that executive officers and trustees of Colonial have certain interests in

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the mergers that may be different from, or in addition to, the interests of Colonial shareholders 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 parent merger pursuant to the plan of merger and the transactions contemplated by the merger agreement.

Listing of Shares of the Combined Corporation Common Stock; Delisting and Deregistration of Colonial Common Shares (See page 148)

It is a condition to the completion of the mergers that the shares of MAA common stock issuable in connection with the parent merger be approved for listing on the NYSE, subject to official notice of issuance. After the parent merger is completed, the Colonial common shares currently listed on the NYSE will cease to be listed on the NYSE and will be deregistered under the Exchange Act.

Shareholder Dissenters Rights in the Parent Merger (See page 177)

Each shareholder of an Alabama real estate investment trust has the same appraisal rights as a shareholder of an Alabama business corporation under the Alabama Business Corporation Law, or the ABCL, holders of Colonial common shares are entitled to dissent and demand payment for their shares at fair value plus accrued interest. See Dissenters Rights beginning on page 177. MAA s obligation to close the mergers will be conditioned on holders of no more than 15% of Colonial common shares properly perfecting their right to dissent and demand cash payment for their shares.

Conditions to Completion of the Mergers (See page 165)

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 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 proxy statement/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.

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Neither MAA nor Colonial can 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 165.

Regulatory Approvals Required for the Mergers (See page 124)

MAA and Colonial 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 Parent Merger Regulatory Approvals Required for the Mergers beginning on page 124.

No Solicitation and Change in Recommendation (See page 160)

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, (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 160.

Termination of the Merger Agreement (See page 168)

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.

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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);

- 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 2/3rds 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 a 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).

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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 168.

Termination Fee and Expenses (See page 169)

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.

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 169 and The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by MAA to Colonial beginning on page 170.

Litigation Relating to the Mergers (See page 149)

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

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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, see Dissenters Rights beginning on page 177), 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.

Material U.S. Federal Income Tax Consequences of the Parent Merger (See page 125)

Colonial and MAA intend that the parent merger of Colonial with and into MAA will qualify as a reorganization within the meaning of Section 368(a) of the Code. The closing of the parent merger is conditioned on the receipt by each of MAA and Colonial of an opinion from its respective counsel to the effect that the parent merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the parent merger qualifies as a reorganization, U.S. holders of Colonial common shares generally will not recognize gain or loss for U.S. federal income tax purposes upon the receipt of Combined Corporation common stock in exchange for Colonial common shares in connection with the parent merger, except with respect to cash received in lieu of fractional shares of Combined Corporation common stock.

For further discussion of the material U.S. federal income tax consequences of the parent merger and the ownership of common stock of the Combined Corporation, see The Parent Merger Material U.S. Federal Income Tax Consequences of the Parent Merger beginning on page 125.

Holders of Colonial common shares should consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the parent merger.

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Accounting Treatment of the Mergers (See page 147)

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

Comparison of Rights of Shareholders of MAA and Shareholders of Colonial (See page 186)

If the parent merger is consummated, shareholders of Colonial will become shareholders of MAA. The rights of Colonial shareholders are currently governed by and subject to the provisions of the Alabama Real Estate Investment Trust Law, or the AREITL, and the declaration of trust and bylaws of Colonial. Upon consummation of the parent merger, the rights of the former Colonial shareholders who receive MAA common stock will be governed by the Tennessee Business Corporation Act, or the TBCA, and the MAA charter and MAA bylaws, rather than the declaration of trust and bylaws of Colonial.

For a summary of certain differences between the rights of MAA shareholders and Colonial shareholders, see Comparison of Rights of Shareholders of MAA and Shareholders of Colonial beginning on page 186.

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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 incorporated herein by reference. The following information should be read together with MAA s Annual Report on Form 10-K for the year ended December 31, 2012, MAA s Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, and the other information that MAA has filed with the SEC and incorporated herein by reference. See Where You Can Find More Information beginning on page 205.

	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 per share data)						
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)
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

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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
	(Dollars in thousands except per share data)						
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 Colonial

The following table sets forth selected consolidated financial information for Colonial. The selected 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 s audited consolidated financial statements incorporated herein by reference. 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 s historical audited financial statements, which are not included in this joint proxy/solicitation. 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 Colonial s unaudited consolidated financial statements incorporated herein by reference. The following information should be read together with Colonial s Current Report on Form 8-K filed with the SEC on August 21, 2013, Colonial s Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, and the other information that Colonial has filed with the SEC and incorporated herein by reference. See Where You Can Find More Information beginning on page 205.

	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[5]	2,543	21,557	30,955	16,625	1,969	7,176	12,080
(Loss) income from continuing operations	(4,696)	3,318	(27,975)	(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
Dividends to preferred shareholders					5,649	8,142	8,773
Preferred unit repurchase gains				2,500	3,000		
Preferred share/unit issuance costs write-off				(1,319)	(4,868)	25	(27)
Distributions to preferred unitholders				3,586	7,161	7,250	7,251
Net income (loss) available to common shareholders	$ 21,685	$ 10,401	$ 8,160	$ 3,428	$ (48,054)	$ (509)	$ (55,429)
Income (loss) per share basic:							
Continuing Operations	$ (0.06)	$ 0.03	$ (0.30)	$ (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 share basic[3]	$ 0.24	$ 0.12	$ 0.09	$ 0.04	$ (0.67)	$ (0.01)	$ (1.19)
Income (loss) per share diluted:							
Continuing Operations	$ (0.06)	$ 0.03	$ (0.30)	$ (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 share diluted[4]	$ 0.24	$ 0.12	$ 0.09	$ 0.04	$ (0.67)	$ (0.01)	$ (1.19)
Dividends declared per common share	$ 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	$ 3,102,257	$ 2,777,810	$ 2,724,104	$ 2,706,988	$ 2,755,644	$ 2,665,700
Total assets	3,082,994	3,302,663	3,286,208	3,258,605	3,171,134	3,172,632	3,155,169

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
Redeemable preferred stock						4	4
OTHER DATA							
Funds from operations[(4)]*	$ 61,289	$ 58,415	$ 92,461	$ 104,712	$ 81,310	$ 129,808	$ 920
Cash flow provided by (used in)							
Operating activities	67,975	70,461	137,108	118,086	109,707	108,594	117,659
Investing activities	172,522	(110,410)	(143,612)	(175,639)	(102,287)	(166,466)	(167,497)
Financing activities	(231,227)	40,506	11,726	59,051	(7,056)	53,277	(34,010)
Total properties (at end of year)	122	136	125	153	156	156	192

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(1) Since the filing of Colonial 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 Colonial s Current Report on Form 8-K filed with the SEC on August 21, 2013.

(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) Funds from Operations (FFO), as defined by the National Association of Real Estate Investment Trusts (NAREIT), means income (loss) before noncontrolling interest (determined in accordance with GAAP), excluding sales of depreciated property and impairment write-downs of depreciable real estate, plus real estate depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. FFO is presented to assist investors in analyzing our performance. We believe that FFO is useful to investors because it provides an additional indicator of our financial and operating performance. This is because, by excluding the effect of real estate depreciation and amortization, gains (or losses) from sales of properties and impairment write-downs of depreciable real estate (all of which are based on historical costs which may be of limited relevance in evaluating current performance), FFO can facilitate comparison of operating performance among equity REITs. FFO is a widely recognized measure in the company s industry. We believe that the line on our consolidated statements of operations entitled net income (loss) available to common shareholders is the most directly comparable GAAP measure to FFO. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Thus, NAREIT created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from GAAP net income. Management believes that the use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial, improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Management uses FFO and FFO per share, along with other measures, to assess performance in connection with evaluating and granting incentive compensation to key employees. Our method of calculating FFO may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. FFO should not be considered (A) as an alternative to net income (determined in accordance with GAAP), (B) as an indicator of financial performance, (C) as cash flow from operating activities (determined in accordance with GAAP) or (D) as a measure of liquidity nor is it indicative of sufficient cash flow to fund all of the company s needs, including our ability to make distributions.

(5) 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 s 15% ownership interest in the DRA/CLP joint venture, presented net of a $3.2 million non-cash impairment charge.

* Non-GAAP financial measure. See Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations Funds from Operations included in Exhibit 99.1 to Colonial s Current Report on Form 8-K filed with the SEC on August 21, 2013, and Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations Funds from Operations of Colonial s Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, which are incorporated herein by reference, for reconciliation.

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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 and Colonial after giving effect to the mergers. 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 as if they had occurred on June 30, 2013. The unaudited pro forma condensed consolidated statement of income data gives effect to the mergers 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 proxy statement/prospectus and (2) the historical consolidated financial statements and related notes of both MAA and Colonial, incorporated herein by reference. See Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page F-1 and Where You Can Find More Information beginning on page 205.

	For the Six Months Ended June 30, 2013 (Dollars in thousands except per share data)			
	MAA	Colonial	Pro forma adjustments	MAA Pro forma
Operating Data				
Total Operating Revenues	$ 264,356	$ 200,162	$ (165)	$ 464,353
Property Operating Expenses	105,149	78,873		184,022
Depreciation and Amortization	65,406	62,653	4,987	133,046
Interest Expense	30,906	43,194	(8,153)	65,947
Net income from continuing operations available for common shareholders	36,695	(4,850)	5,233	37,078
Per Share Data				
Net income (loss) from continuing operations per share attributable to common shares basic	$ 0.86	$ (0.06)		$ 0.50
Net income (loss) from continuing operations per share attributable to common shares diluted	$ 0.86	$ (0.06)		$ 0.49
Weighted average common shares outstanding basic	42,523	87,958		74,391
Weighted average common shares outstanding diluted	44,294	87,958		79,286
Balance Sheet Data				
Real estate assets, net	$ 2,746,897	$ 2,893,755	$ 804,726	$ 6,445,378
Total assets	2,834,217	3,082,994	890,230	6,807,441
Total debt	1,691,541	1,647,327	97,243	3,436,111
Total equity	1,011,797	1,136,535	946,955	3,095,287

	For the Year Ended December 31, 2012 (Dollars in thousands except per share data)			
	MAA	Colonial	Pro forma adjustments	MAA Pro forma
Operating Data				
Total Operating Revenues	$ 497,165	$ 368,847	$ (329)	$ 865,683
Property Operating Expenses	203,326	152,540		355,866
Depreciation and Amortization	126,136	117,004	85,328	328,468
Interest Expense	58,751	92,085	(15,514)	135,322
Net income from continuing operations available for common shareholders	64,821	(25,910)	(62,254)	(23,343)

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	For the Year Ended December 31, 2012 (Dollars in thousands except per share data)			
	MAA	Colonial	Pro forma adjustments	MAA Pro forma
Per Share Data				
Net income (loss) from continuing operations per share attributable to common shares basic	$ 1.58	$ (0.30)		$ (0.32)
Net income (loss) from continuing operations per share attributable to common shares diluted	$ 1.57	$ (0.30)		$ (0.32)
Weighted average common shares outstanding basic	41,039	87,251		72,450
Weighted average common shares outstanding diluted	42,937	87,251		72,450

Unaudited Comparative Per Share Information

The following table sets forth for the six months ended June 30, 2013 and the year ended December 31, 2012 selected per share information for MAA common stock on a historical and pro forma combined basis and for Colonial common shares 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 the historical consolidated financial statements and related notes of MAA and Colonial contained in their respective Quarterly Reports on Form 10-Q for the six months ended June 30, 2013, in MAA s Annual Report on Form 10-K for the year ended December 31, 2012 and in Colonial s Current Report on Form 8-K filed with the SEC on August 21, 2013, which are incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 205.

The Colonial pro forma equivalent per common share amounts were calculated by multiplying the MAA pro forma amounts by the exchange ratio of 0.360.

	MAA		Colonial	
	Historical	Pro Forma Combined	Historical	Pro Forma Equivalent
For the Six Months Ended June 30, 2013				
Income (loss) from continuing operations available for common shareholders per common share, basic	$ 0.86	$ 0.50	$ (0.06)	$ 0.18
Income (loss) from continuing operations available for common shareholders per common share, diluted	$ 0.86	$ 0.49	$ (0.06)	$ 0.18
Cash dividends declared per common share	$ 1.39	$ 1.39	$ 0.42	$ 0.50
As of June 30, 2013				
Book value per share	$ 23.68	$ 41.45	$ 12.81	$ 14.92
For the Year Ended December 31, 2012				
Income (loss) from continuing operations available for common shareholders per common share, basic	$ 1.58	$ (0.32)	$ (0.30)	$ (0.12)
Income (loss) from continuing operations available for common shareholders per common share, diluted	$ 1.57	$ (0.32)	$ (0.30)	$ (0.12)
Cash dividends declared per common share	$ 2.675	$ 2.6750	$ 0.72	$ 0.96

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RISK FACTORS

In addition to the other information included in this joint proxy statement/prospectus, including the matters addressed in the section entitled Cautionary Statement Concerning Forward-Looking Statements, whether you are a MAA shareholder or Colonial shareholder, you should carefully consider the following risks before deciding how to vote. In addition, you should read and consider the risks associated with each of the businesses of MAA and Colonial because these risks will also affect the Combined Corporation. These risks can be found in the respective Annual Reports on Form 10-K for the year ended December 31, 2012 and subsequent Quarterly Reports on Form 10-Q of MAA and Colonial, each of which is filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 205.

Risk Factors Relating to the Mergers

The exchange ratio is fixed and will not be adjusted in the event of any change in the share prices of either MAA or Colonial.

Upon the consummation of the parent merger, each Colonial common share (other than shares with respect to which dissenters rights have been properly exercised and not withdrawn under the ABCL) will be converted into the right to receive 0.360 shares of MAA common stock, with cash paid in lieu of any fractional shares. This exchange ratio was fixed in the merger agreement and will not be adjusted for changes in the market prices of either shares of MAA common stock or Colonial common shares. Changes in the market price of shares of MAA common stock prior to the parent merger will affect the market value of the merger consideration that Colonial shareholders will receive on the closing date of the parent merger. Stock price changes may result from a variety of factors (many of which are beyond the control of MAA and Colonial), including the following factors:

- 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 market price of shares of MAA common stock at the closing of the parent merger may vary from its price on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the date of the special meetings of Colonial and MAA. As a result, the market value of the merger consideration represented by the exchange ratio will also vary. For example, 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 proxy statement/prospectus, the exchange ratio of 0.360 represented a market value ranging from a low of $21.86 to a high of $25.20.

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Because the parent merger will be completed after the date of the MAA and Colonial special meetings, at the time of your special meeting, you will not know the exact market value of the shares of MAA common stock that Colonial shareholders will receive upon completion of the parent merger. You should consider the following two risks:

- If the market price of shares of MAA common stock increases between the date the merger agreement was signed or the date of the MAA and Colonial special meetings and the closing of the parent merger, Colonial shareholders will receive shares of MAA common stock that have a market value upon completion of the parent merger that is greater than the market value of such shares calculated pursuant to the exchange ratio on the date the merger agreement was signed or on the date of the special meetings, respectively.

- If the market price of shares of MAA common stock declines between the date the merger agreement was signed or the date of the MAA and Colonial special meetings and the closing of the parent merger, Colonial shareholders will receive shares of MAA common stock that have a market value upon completion of the parent merger that is less than the market value of such shares calculated pursuant to the exchange ratio on the date the merger agreement was signed or on the date of the special meetings, respectively.

Therefore, while the number of shares of MAA common stock to be issued per share of Colonial common shares is fixed, (1) MAA shareholders cannot be sure of the market value of the consideration that will be paid to Colonial shareholders upon completion of the parent merger and (2) Colonial shareholders cannot be sure of the market value of the consideration they will receive upon completion of the parent merger.

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 limited partnership interests of MAA LP.

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 and holders of limited partnership interests of MAA LP must approve the partnership merger and the amendment and restatement of the limited partnership agreement of MAA LLP. 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 and 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.

MAA and Colonial shareholders will be diluted by the parent merger.

The parent merger will dilute the ownership position of the MAA shareholders and result in Colonial shareholders having an ownership stake in the Combined Corporation that is smaller than their current stake in Colonial. Upon completion of the parent merger, we estimate 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 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 to shares of Combined Corporation common stock of all limited partnership units issued by MAA LP to former limited partners of Colonial LP. Consequently, MAA shareholders and Colonial shareholders, as a general matter, will have less influence over the management and policies of the Combined Corporation after the effective time of the parent merger than each currently exercise over the management and policies of MAA and Colonial, as applicable.

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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 169 and The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by MAA to Colonial beginning on page 170.

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

If the mergers are not completed, the ongoing businesses of MAA and Colonial could be adversely affected and each of MAA and Colonial 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 and Colonial.

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

Prior to the effective time of the mergers, some tenants or vendors of each of MAA and Colonial may delay or defer decisions, which could negatively affect the revenues, earnings, cash flows and expenses of MAA and Colonial, regardless of whether the mergers are completed. Similarly, current and prospective employees of MAA and Colonial may experience uncertainty about their future roles with the Combined Corporation following the mergers, which may materially adversely affect the ability of each of MAA and Colonial 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 and Colonial 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 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 160, The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by Colonial to MAA beginning on page 169, and The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by MAA to Colonial beginning on page 170.

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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 168.

If the parent merger does not qualify as a tax-free reorganization, Colonial or MAA shareholders may recognize a taxable gain.

The parent merger is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. As a result, Colonial shareholders that are U.S. holders (as defined below) are not expected to recognize gain or loss as a result of the parent merger (except with respect to the receipt of cash in lieu of fractional shares of Combined Corporation common stock). The closing of the parent merger is conditioned on the receipt by each of MAA and Colonial of an opinion from its respective counsel to the effect that the parent merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. However, these legal opinions will not be binding on the Internal Revenue Service, or the IRS, or on the courts. If for any reason the parent merger does not qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code, then each Colonial shareholder generally would recognize gain or loss, for U.S. federal income tax purposes, equal to the difference between the sum of the fair market value of the Combined Corporation common stock and cash in lieu of fractional shares of Combined Corporation common stock received by the shareholder in the parent merger and the shareholder s adjusted tax basis in the Colonial common shares exchanged therefor. Moreover, 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. See The Parent Merger Material U.S. Federal Income Tax Consequences of the Parent Merger on page 125.

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 Colonial shareholders.

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 or the shareholders of Colonial 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 and the ownership of limited partnership interests of either MAA LP or Colonial LP, as applicable. 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 Parent Merger Interests of MAA s Directors and Executive Officers in the Mergers beginning on page 117 and The Parent Merger Interests of Colonial s Trustees and Executive Officers in the Mergers beginning on page 118.

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Risk Factors Relating to the Combined Corporation Following the Mergers

Risks Related to the Combined Corporation s Operations

The Combined Corporation expects to incur substantial expenses related to the mergers.

The Combined Corporation expects 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 and Colonial have assumed that a certain level of transaction and integration expenses 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 expects 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 may be unable to integrate the businesses of MAA and Colonial 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. MAA and Colonial estimate that the transaction will generate approximately $25 million of annual gross savings in general and administrative expenses. The Combined Corporation is 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 will be required to devote significant management attention and resources to integrating the business practices and operations of MAA and Colonial. Potential difficulties the Combined Corporation may encounter in the integration process include the following:

- the inability to successfully combine the businesses of MAA and Colonial in a manner that permits the Combined Corporation 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 management, the disruption of the Combined Corporation s ongoing business or inconsistencies in the Combined Corporation s operations, services, standards, controls, procedures and policies, any of which could adversely affect the ability of the Combined Corporation 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.

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

The success of the Combined Corporation after the mergers will depend in part upon its 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 following the mergers. Accordingly, no assurance can be given that MAA, Colonial or, following the mergers, the Combined Corporation will be able to retain key employees to the same extent as in the past.

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 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 upon the completion of the mergers.

The future results of the Combined Corporation will suffer if the Combined Corporation does not effectively manage its expanded operations following the mergers.

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

Risks Related to an Investment in the Combined Corporation s Common Stock

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

Upon completion of the parent merger, we estimate 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 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 to shares of Combined Corporation common stock of all limited partnership units issued by MAA LP to former limited partners of Colonial LP. The results of operations of the Combined Corporation, as well as the market price of the common stock of the Combined Corporation, after the parent merger may be affected by other factors in

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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. 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. For a discussion of the businesses of MAA and Colonial and certain risks to consider in connection with investing in those businesses, see the documents incorporated by reference by MAA and Colonial into this joint proxy statement/prospectus referred to under Where You Can Find More Information.

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 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.

After the parent merger is completed, Colonial shareholders who receive shares of the Combined Corporation common stock in the parent merger will have different rights that may be less favorable than their current rights as Colonial shareholders.

After the closing of the parent merger, Colonial shareholders who receive shares of the Combined Corporation common stock in the parent merger will have different rights than they currently have as Colonial shareholders. For a detailed discussion of the significant differences between the current rights as a shareholder of Colonial and the rights as a shareholder of the Combined Corporation following the parent merger, see Comparison of Rights of Shareholders of MAA and Shareholders of Colonial beginning on page 186.

The Combined Corporation cannot assure you that it will be able to continue paying dividends at or above the rate currently paid by MAA and Colonial.

The shareholders of the Combined Corporation may not receive dividends at the same rate they received dividends as shareholders of MAA and Colonial following the parent merger for various reasons, including the following:

- the Combined Corporation may not have enough cash to pay such dividends due to changes in the Combined Corporation s cash requirements, capital spending plans, cash flow or financial position;

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 s current dividend practices at any time and for any reason;

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

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the amount of dividends that the Combined Corporation s subsidiaries may distribute to the Combined Corporation 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.

Shareholders of the Combined Corporation will have no contractual or other legal right to dividends that have not been declared by the Combined Corporation s board of directors.

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, see Dissenters Rights beginning on page 177), 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

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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 is 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. Regardless 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 Parent Merger Litigation Relating to the Mergers beginning on page 149.

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

MAA and Colonial 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 and Colonial 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.

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

The unaudited pro forma combined condensed financial information included elsewhere in this joint proxy statement/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 the Combined Corporation. 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 proxy statement/prospectus is based in part on certain assumptions regarding the mergers that MAA and Colonial believe are reasonable under the circumstances. MAA and Colonial cannot assure you that the assumptions will prove to be accurate over time.

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

The Combined Corporation 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 business strategies following the mergers, the Combined Corporation expects to continue to evaluate the possibility of acquiring additional properties and making strategic investments, and the Combined Corporation may elect to finance these endeavors by incurring additional indebtedness. The amount of such indebtedness could have material adverse consequences for the Combined Corporation, including:

- reducing the Combined Corporation s credit ratings and thereby raising its borrowing costs;
- hindering the Combined Corporation s ability to adjust to changing market, industry or economic conditions;
- limiting the Combined Corporation 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, stock repurchases or other uses;
- making the Combined Corporation more vulnerable to economic or industry downturns, including interest rate increases; and
- placing the Combined Corporation at a competitive disadvantage compared to less leveraged competitors.

Moreover, to respond to competitive challenges, the Combined Corporation may be required to raise substantial additional capital to execute its business strategy. The Combined Corporation s ability to arrange additional financing will depend on, among other factors, the Combined Corporation s financial position and performance, as well as prevailing market conditions and other factors beyond the Combined Corporation s control. If the Combined Corporation is able to obtain additional financing, the Combined Corporation s credit ratings could be further adversely affected, which could further raise the Combined Corporation 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.

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 parent merger, and the Combined Corporation intends to continue operating in such a manner following the parent merger. None of MAA, Colonial or the Combined Corporation has requested or plans to request a ruling

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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 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. 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. 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

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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. See section The Parent Merger Material U.S. Federal Income Tax Consequences of the Parent Merger beginning on page 125.

MAA and Colonial face other risks.

The foregoing risks are not exhaustive, and you should be aware that, following the mergers, the Combined Corporation will face various other risks, including those discussed in reports filed by MAA and Colonial with the SEC. See Where You Can Find More Information beginning on page 205.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/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 and Colonial 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, Colonial or the Combined Corporation. Words such as expects, anticipates, intends, plans, believes, seeks, estimates, variations of such words and similar expressions are intended to identify 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 and Colonial, including future financial and operating results, and the Combined Corporation s plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that MAA and Colonial 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 and Colonial believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, MAA and Colonial 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 and Colonial 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, Colonial or the Combined Corporation or their respective businesses;
- the nature and extent of future competition;
- each of MAA s and Colonial 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;
- availability to MAA, Colonial and the Combined Corporation of financing and capital;
- each of MAA s and Colonial 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, Colonial 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

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

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Should one or more of the risks or uncertainties described above or elsewhere in this joint proxy statement/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 proxy statement/prospectus.

All forward-looking statements, expressed or implied, included in this joint proxy statement/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, Colonial or persons acting on their behalf may issue.

Neither MAA nor Colonial undertakes any duty to update any forward-looking statements appearing in this joint proxy statement/prospectus.

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THE COMPANIES

Mid-America Apartment Communities, Inc.

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, conducts the operations of a substantial majority of MAA s business, holds a substantial majority of MAA s consolidated assets and generates 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 and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 205.

Colonial Properties Trust

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 is included in documents incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 205.

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 MAA SPECIAL MEETING

Date, Time and Place

The MAA special meeting will be held at MAA corporate headquarters, 6584 Poplar Avenue, Memphis, Tennessee 38138, on September 27, 2013, at 9:00 a.m., Central Daylight Time.

Purpose of the MAA Special Meeting

At the MAA special meeting, MAA shareholders will be asked to consider and vote upon the following matters:

- a proposal to approve the merger agreement, the merger of Colonial with and into MAA, with MAA continuing as the surviving corporation, and the other transaction contemplated by the merger agreement, including the issuance of MAA common stock to Colonial shareholders in connection with the parent merger, which we refer to collectively as the MAA merger proposal;
- a proposal to approve the MAA 2013 Stock Incentive Plan; and
- a proposal to approve one or more adjournments of the MAA special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger.

Recommendation of the MAA Board

After careful consideration, the MAA Board has unanimously determined and declared that the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger, are advisable and in the best interests of MAA and its shareholders and has unanimously adopted and approved the merger agreement, the parent merger and the other transactions contemplated by the merger agreement. Certain factors considered by the MAA Board in reaching its decision to adopt and approve the parent merger can be found in the section of this joint proxy/statement/prospectus entitled The Parent Merger Recommendation of the MAA Board and Its Reasons for the Parent Merger beginning on page 88.

The MAA Board unanimously recommends that MAA shareholders vote FOR the MAA merger proposal, FOR the proposal to approve the MAA 2013 Stock Incentive Plan and FOR the proposal to adjourn the MAA special meeting, if necessary or appropriate in the view of the MAA Board, to solicit additional proxies in favor of the proposals if there are not sufficient votes at the time of such adjournment to approve such proposals.

Approval of the merger agreement is subject to a vote by MAA s shareholders separate from the vote on approval of the MAA 2013 Stock Incentive Plan. Approval of the MAA 2013 Stock Incentive Plan is not a condition to completion of the mergers.

MAA Record Date; Who Can Vote at the MAA Special Meeting

Only MAA shareholders of record at the close of business on the record date, August 22, 2013, are entitled to receive notice of the MAA special meeting and to vote the shares of MAA common stock that they held on the record date at the MAA special meeting, or any postponement or adjournment of the MAA special meeting. The only class of stock that can be voted at the MAA special meeting is MAA common stock. Each share of MAA common stock is entitled to one vote on all matters that come before the MAA special meeting.

On the record date, there were approximately 42,740,450 shares of MAA common stock outstanding and entitled to vote at the MAA special meeting.

A list of MAA shareholders entitled to vote at the MAA special meeting will be open for examination by any MAA shareholder, for any purpose germane to the MAA special meeting, during ordinary business hours,

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beginning two (2) days after notice of the MAA special meeting is given through the time of the MAA special meeting and place of the MAA special meeting at MAA s principal executive offices at 6587 Poplar Avenue, Memphis, Tennessee 38138.

Quorum

A quorum of shareholders is necessary to hold a valid special meeting. The presence, in person or by proxy, of holders of a majority of the shares of MAA common stock outstanding on the MAA record date will constitute a quorum. On the record date, there were 42,740,450 shares of MAA common stock outstanding and entitled to vote. Thus, 21,370,226 shares of MAA common stock must be represented by shareholders present at the MAA special meeting or by proxy to have a quorum for the MAA special meeting.

Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the Chairman of the MAA special meeting or a majority of the votes present at the MAA special meeting may adjourn the MAA special meeting to another date.

Vote Required for Approval

Approval of the MAA merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of MAA common stock.

Approval of the MAA 2013 Stock Incentive Plan requires the votes cast FOR the proposal exceed the votes cast AGAINST the proposal.

Approval of the adjournment of the MAA special meeting requires the votes cast FOR the proposal exceed the votes cast AGAINST the proposal.

Abstentions and Broker Non-Votes

If you are a MAA shareholder and fail to vote, fail to instruct your broker, bank or nominee to vote, or abstain from voting:

- with respect to the MAA merger proposal, it will have the same effect as a vote AGAINST the MAA merger proposal;
- with respect to the MAA 2013 Stock Incentive Plan proposal, if you abstain, fail to vote or fail to instruct your broker, bank or nominee to vote, it will have no effect on the outcome of the vote for this proposal; and
- with respect to the adjournment proposal, it will have no effect on the outcome of the vote for this proposal.

Voting by MAA Directors and Executive Officers

At the close of business on the record date, directors and executive officers of MAA and their affiliates were entitled to vote 302,780 shares of MAA common stock, or approximately 0.71% of the shares of MAA common stock issued and outstanding on that date. Messrs. Bolton and Sanders have entered into voting agreements that obligate them to vote FOR the MAA merger proposal. Additionally, MAA currently expects that the other MAA directors and executive officers will vote their shares of MAA common stock in favor of the MAA merger proposal as well as the other proposals to be considered at the MAA special meeting, although none of them is obligated to do so.

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Manner of Submitting Proxy

A proxy card is enclosed for use by MAA shareholders. MAA requests that MAA shareholders sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope. MAA shareholders may also vote their shares by telephone or through the Internet. Information and applicable deadlines for voting proxies by telephone or through the Internet are set forth on the enclosed proxy card. When the accompanying proxy is returned properly executed, the shares of MAA common stock represented by it will be voted at the MAA special meeting or any adjournment or postponement thereof in accordance with the instructions contained in the proxy card.

If a proxy card is signed and returned without an indication as to how the shares of MAA common stock represented by the proxy are to be voted with regard to a particular proposal, the MAA common stock represented by the proxy will be voted FOR each such proposal. As of the date of this joint proxy statement/prospectus, MAA has no knowledge of any business that will be presented for consideration at the MAA special meeting and which would be required to be set forth in this joint proxy statement/prospectus other than the matters set forth in the accompanying Notice of Special Meeting of Shareholders of MAA. In accordance with the MAA bylaws and Tennessee law, business transacted at the MAA special meeting will be limited to those matters set forth in such notice. Nonetheless, if any other matter is properly presented at the MAA special meeting for consideration, it is intended that the persons named in the enclosed proxy and acting thereunder will vote in accordance with their discretion on such matter.

Your vote is important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the MAA special meeting in person.

Shares held in Street Name

If a MAA shareholder holds shares of MAA common stock in a stock brokerage account or if its shares are held by a bank or nominee (that is, in street name), such shareholder must provide the record holder of its shares with instructions on how to vote its shares of MAA common stock. MAA shareholders should follow the voting instructions provided by their broker, bank or nominee. Please note that MAA shareholders may not vote shares of MAA common stock held in street name by returning a proxy card directly to MAA or by voting in person at the MAA special meeting unless they provide a legal proxy, which MAA shareholders must obtain from their broker, bank or nominee. Further, brokers, banks or nominees who hold shares of MAA common stock on behalf of their customers may not give a proxy to MAA to vote those shares without specific instructions from their customers.

If a MAA shareholder does not instruct its broker, bank or nominee to vote, then the broker, bank or nominee may not vote those shares, and it will have the effects described above under Abstentions and Broker Non-Votes.

Shares held in the MAA Employee Stock Ownership Plan

If MAA shareholders hold shares of MAA common stock in an account under the MAA Employee Stock Ownership Plan, such shareholders have the right to vote the shares in their account. To do this, the MAA shareholder must sign and timely return the proxy card received with this joint proxy statement/prospectus, or grant the shareholder s proxy by telephone or over the Internet by following the instructions on the proxy card.

Revocation of Proxies or Voting Instructions

MAA shareholders of record may change their vote or revoke their proxy at any time before the final vote at the MAA special meeting by:

1. submitting another properly completed proxy card bearing in time to be received before the MAA special meeting or by submitting a later dated proxy by telephone or over the Internet in which case the later-submitted proxy will be recorded and the earlier proxy revoked;

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2. submitting written notice that the MAA shareholder is revoking the proxy to MAA s Corporate Secretary, 6584 Poplar Avenue, Memphis, Tennessee 38138 in time to be received before the MAA special meeting; or

3. voting in person at the MAA special meeting.

Attending the MAA special meeting without voting will not, by itself, revoke a MAA shareholder s proxy.

If a MAA shareholder s common shares are held by its broker or bank as nominee or agent, the shareholder should follow the instructions provided by the broker or bank.

Tabulation of Votes

MAA will appoint an inspector of election for the MAA special meeting to tabulate affirmative and negative votes, broker non-votes and abstentions.

Solicitation of Proxies; Payment of Solicitation Expenses

The cost of proxy solicitation for the MAA special meeting will be borne by MAA. In addition to the use of the mail, proxies may be solicited by officers, directors and regular employees of MAA, without additional remuneration, in person, by telephone or any other electronic means of communication deemed appropriate. MAA will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares held of record on the record date and will provide customary reimbursement to such firms for the cost of forwarding these materials. MAA has retained D.F. King to assist in its solicitation of proxies and has agreed to pay them a fee of approximately $20,000 for these services, plus reimbursement for reasonable out-of-pocket expenses and expenses, and to indemnify D.F. King against certain losses, costs and expenses.

Adjournment

In addition to the other proposals being considered at the MAA special meeting, MAA shareholders are also being asked to approve a proposal that will give the MAA Board authority to adjourn the MAA special meeting, if necessary or appropriate in the view of the MAA Board, to solicit additional proxies in favor of the other proposals if there are not sufficient votes at the time of such adjournment to approve such proposals. If this proposal is approved, the MAA special meeting could be successively adjourned to any date. In addition, the MAA Board could postpone the MAA special meeting before it commences, whether for the purpose of soliciting additional proxies or for other reasons. If the MAA special meeting is adjourned for the purpose of soliciting additional proxies, shareholders who have already submitted their proxies will be able to revoke them at any time prior to their use.

If a quorum does not exist, the chairman of the MAA special meeting or the holders of a majority of the shares of MAA common stock present at the MAA special meeting, in person or by proxy, may adjourn the MAA special meeting to another place, date or time. If a quorum exists, but there are not enough affirmative votes to approve any other proposal, the MAA special meeting may be adjourned if the votes cast, in person or by proxy, at the MAA special meeting in favor of the adjournment proposal exceed the votes cast, in person or by proxy, against the adjournment proposal.

Assistance

If you need assistance in completing your proxy card or have questions regarding the various voting options with respect to the MAA special meeting, please contact MAA s proxy solicitor, D.F. King, toll-free at 1-800-628-8532.

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PROPOSALS SUBMITTED TO MAA SHAREHOLDERS

Merger Proposal

(Proposal 1 on the MAA Proxy Card)

MAA shareholders are asked to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger. For a summary and detailed information regarding this proposal, see the information about the merger agreement and the parent merger throughout this joint proxy statement/prospectus, including the information set forth in sections entitled The Parent Merger beginning on page 68 and The Merger Agreement beginning on page 151. A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus and incorporated herein by reference.

Pursuant to the merger agreement, approval of this proposal is a condition to the closing of the mergers. If this proposal is not approved, the mergers will not be completed.

MAA is requesting that MAA shareholders approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger. If you return a properly executed proxy card, but do not indicate instructions on your proxy card, your shares of MAA common stock represented by such proxy card will be voted FOR the approval of the merger agreement, the parent merger and the other transactions contemplated by the merger agreement.

Approval of the proposal to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of MAA common stock entitled to vote on such proposal.

Recommendation of the MAA Board

The MAA Board unanimously recommends that MAA shareholders vote FOR the proposal to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger.

2013 Stock Incentive Plan

(Proposal 2 on the MAA Proxy Card)

Proposal

On June 17, 2013, the compensation committee of the MAA Board, which we refer to as the MAA Compensation Committee, voted to approve the Mid-America Apartment Communities, Inc. 2013 Stock Incentive Plan, or the MAA 2013 Plan, and the MAA Board is recommending the MAA 2013 Plan to MAA shareholders for approval.

The MAA 2013 Plan will replace the Mid-America Apartment Communities, Inc. 2004 Stock Plan, or the MAA 2004 Plan, which expires by its terms on October 31, 2013. The MAA 2013 Plan provides flexibility to the MAA Compensation Committee to use various equity-based incentive awards as compensation tools to motivate MAA s workforce. If the MAA 2013 Plan is approved by the shareholders, MAA will no longer make grants under the MAA 2004 Plan. If the MAA 2013 Plan is not approved, the MAA 2004 Plan will expire on October 31, 2013 and MAA will not be able to continue making stock-based incentive awards consistent with historical practices.

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The material features of the MAA 2013 Plan are:

- The maximum number of shares of MAA common stock reserved and available for issuance under the MAA 2013 Plan is the sum of (i) 225,000 newly authorized shares, plus (ii) any shares underlying grants under the MAA 2004 Plan that are forfeited, cancelled or are terminated (other than by exercise) in the future; such 225,000 shares represent the approximate number of shares of MAA common stock that remain available for issuance under the MAA 2004 Plan, which will expire by its terms on October 31, 2013;

- The award of stock options (both incentive and non-qualified options), restricted stock, restricted stock units, unrestricted stock, performance share awards, other stock-based awards, cash-based awards and dividend equivalent rights is permitted;

- Any material amendment (other than an amendment that curtails the scope of the MAA 2013 Plan) is subject to approval by MAA s shareholders;

- Stock options may not be repriced without shareholder approval; and

- The term of the MAA 2013 Plan is for ten years from the date of approval by MAA shareholders.

The maximum number of shares of MAA common stock reserved and available for issuance under the MAA 2013 Plan is the sum of (i) 225,000 newly authorized shares, plus (ii) any shares underlying grants under the MAA 2004 Plan that are forfeited, cancelled or terminated (other than by exercise) in the future; such 225,000 shares represent the approximate number of shares of MAA common stock that remain available for issuance under the MAA 2004 Plan, which will expire by its terms on October 31, 2013. Based solely on the closing price of MAA s common stock as reported by the NYSE on June 28, 2013 of $67.77, the maximum aggregate market value of such 225,000 shares of MAA common stock is $15,248,250. As of June 28, 2013 MAA had outstanding grants of 37,527 shares of restricted MAA common stock. The foregoing, along with the new share request of 225,000 shares (referred to as MAA s overhang), would represent approximately 0.61% of MAA s total outstanding shares as of June 28, 2013 on a fully diluted basis. Although 0.61% will represent the total overhang if the 2013 Plan is approved, MAA cannot predict the amount or timing of specific equity awards in the future and, thus, it is not possible to calculate the amount of subsequent dilution that may ultimately result from such awards; however, MAA is committed to maintaining an equity incentive program that accomplishes MAA s incentive and retention goals while being sensitive to shareholders concerns about dilution and expense. MAA s current three-year average burn rate is 0.10%.

The shares available under the MAA 2013 Plan will be authorized but unissued shares. The shares of common stock underlying any awards that are forfeited, cancelled, held back to cover the exercise price or tax withholding, reacquired by MAA prior to vesting, satisfied without the issuance of stock or otherwise terminated (other than by exercise) under the MAA 2013 Plan are added back to the shares of MAA common stock available for issuance under the MAA 2013 Plan.

To ensure that certain awards granted under the MAA 2013 Plan to a Covered Employee (as defined in the Code) qualify as performance-based compensation under Section 162(m) of the Code, the MAA 2013 Plan provides that the MAA Compensation Committee may require that the vesting of such awards be conditioned on the satisfaction of performance criteria that may include any or all of the following:

- Funds from operations;

- Funds from operations per share;

- Adjusted funds from operations;

Adjusted funds from operations per share;

Net operating income;

Gross operating income;

Total shareholder return;

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Earnings per share;

Stock price;

Acquisitions;

Dispositions;

Strategic transactions;

Portfolio or regional occupancy rates;

Portfolio or regional rent rates;

Portfolio or regional revenue rates; or

Return on capital, assets, equity, development, or investment.

The MAA Compensation Committee will select the particular performance criteria within 90 days following the commencement of a performance cycle. Subject to adjustments for stock splits and similar events, the maximum award granted to any one individual that is intended to qualify as performance-based compensation under Section 162(m) of the Code will not exceed 50,000 shares of MAA common stock for any performance cycle and options with respect to no more than 100,000 shares of common stock may be granted to any one individual during any calendar year period. If a performance-based award is payable in cash to any executive, it cannot exceed $2,500,000 for any performance cycle.

Reasons for the MAA 2013 Plan

The MAA Compensation Committee believes that stock-based incentive awards play an important role in MAA s success by encouraging and enabling its current employees, officers and non-employee directors upon whose judgment, initiative and efforts it largely depends for the successful conduct of its business to acquire a proprietary interest in MAA. The MAA Compensation Committee anticipates that providing such persons with a direct stake in MAA will assure a closer identification of the interests of participants in the MAA 2013 Plan with those of MAA s shareholders, thereby stimulating their efforts on MAA s behalf and strengthening their desire to remain with MAA. The MAA 2004 Plan will expire on October 31, 2013 and the MAA 2013 Plan will therefore enable MAA to continue making such stock-based incentive awards.

Summary of the MAA 2013 Plan

The following description of certain features of the MAA 2013 Plan is intended to be a summary only. The summary is qualified in its entirety by the full text of the MAA 2013 Plan that is attached hereto as Annex E.

Plan Administration

The MAA 2013 Plan will be administered by the MAA Compensation Committee. The MAA Compensation Committee has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the MAA 2013 Plan. The MAA Compensation Committee may delegate to MAA s Chief Executive Officer the authority to grant awards at fair market value to employees who are not subject to the reporting and other provisions of Section 16 of the Exchange Act.

Eligibility and Limitations on Grants

Persons eligible to participate in the MAA 2013 Plan will be those full or part-time officers, employees, non-employee directors and other key persons of MAA and its subsidiaries (including MAA LP) as selected from time-to-time by the MAA Compensation Committee. Approximately 63 individuals are currently eligible to participate in the MAA 2013 Plan.

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The maximum award of stock options granted to any one individual will not exceed 100,000 shares of MAA common stock (subject to adjustment for stock splits and similar events) for any calendar year period. If any award of restricted stock, restricted stock units, performance shares or other stock-based award granted to an individual is intended to qualify as performance-based compensation under Section 162(m) of the Code, then the maximum award shall not exceed 50,000 shares of MAA common stock (subject to adjustment for stock splits and similar events) to any one such individual in any performance cycle. If any cash-based award is intended to qualify as performance-based compensation under Section 162(m) of the Code, then the maximum award to be paid in cash in any performance cycle may not exceed $2,500,000.

Stock Options

The MAA 2013 Plan permits the granting of (1) options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and (2) options that do not so qualify. Options granted under the MAA 2013 Plan will be non-qualified options if they fail to qualify as incentive options or exceed the annual limit on incentive stock options. Non-qualified options may be granted to any persons eligible to receive incentive options and to non-employee directors and key persons. The option exercise price of each option will be determined by the MAA Compensation Committee but may not be less than 100% of the fair market value of the MAA common stock on the date of grant. The MAA 2013 Plan provides that such fair market value will be deemed to be the last reported sale price of the shares of MAA common stock on the NYSE on the date of grant. The exercise price of an option may not be reduced after the date of the option grant, other than to appropriately reflect changes in MAA s capital structure. Option repricing may not be effected through cancellation and re-grants or cancellation in exchange for cash.

The term of each option will be fixed by the MAA Compensation Committee and may not exceed ten years from the date of grant. The MAA Compensation Committee will determine at what time or times each option may be exercised. Options may be made exercisable in installments and the exercisability of options may be accelerated by the MAA Compensation Committee.

Upon exercise of options, the option exercise price must be paid in full either in cash, by certified or bank check or other instrument acceptable to the MAA Compensation Committee, by delivery (or attestation to the ownership) of shares of MAA common stock that are not then subject to restrictions under any MAA plan, or, with respect to stock options that are not incentive stock options, by a net exercise arrangement pursuant to which MAA will reduce the number of shares of stock issuable upon exercise by the largest whole number of shares with a fair market value that does not exceed the aggregate exercise price. Subject to applicable law, the exercise price may also be delivered to MAA by a broker pursuant to irrevocable instructions to the broker from the optionee.

To qualify as incentive options, options must meet additional federal tax requirements, including a $100,000 limit on the value of shares subject to incentive options that first become exercisable by a participant in any one calendar year.

Restricted Stock

The MAA Compensation Committee may award shares of common stock to participants subject to such conditions and restrictions as the MAA Compensation Committee may determine. These conditions and restrictions may include the achievement of certain performance goals (as summarized above under Proposal) and/or continued employment with MAA or its subsidiaries through a specified restricted period.

Deferred Stock Awards

The MAA Compensation Committee may award phantom stock units as restricted stock units to participants. Restricted stock units are ultimately payable in the form of shares of common stock and may be

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subject to such conditions and restrictions as the MAA Compensation Committee may determine. These conditions and restrictions may include the achievement of certain performance goals (as summarized above) and/or continued employment with MAA or its subsidiaries through a specified vesting period. In the MAA Compensation Committee s sole discretion and subject to the participant s compliance with the procedures established by the MAA Compensation Committee and requirements of Section 409A of the Code, it may permit a participant to make an advance election to receive a portion of his or her future cash compensation otherwise due in the form of restricted stock units. During the deferral period, the participant may be credited with dividend equivalent rights with respect to the restricted stock units.

Unrestricted Stock Awards

The MAA Compensation Committee may also grant shares of common stock that are free from any restrictions under the MAA 2013 Plan. Unrestricted stock may be granted to any participant in recognition of past services or other valid consideration and may be issued in lieu of cash compensation due to such participant.

Performance Share Awards

The MAA Compensation Committee may grant performance share awards to any participant that entitle the recipient to receive shares of common stock upon the achievement of certain performance goals (as summarized above) and such other conditions as the MAA Compensation Committee shall determine.

Dividend Equivalent Rights

The MAA Compensation Committee may grant dividend equivalent rights that entitle the recipient to receive credits for dividends that would be paid if the recipient had held specified shares of common stock. Dividend equivalent rights may be granted as a component of another award or as a freestanding award. Dividend equivalent rights may be settled in cash, shares of common stock or a combination thereof, in a single installment or installments, as specified in the award.

Other Stock-Based Awards

The MAA Compensation Committee may grant awards of capital stock other than common stock and other awards that are valued in whole or in part by reference to or are otherwise based on, common stock, including, for example, convertible preferred stock, convertible debentures, exchangeable securities, awards valued by reference to book value or subsidiary performance. These awards may be subject to such conditions and restrictions as the MAA Compensation Committee may determine. These conditions and restrictions may include the achievement of certain performance goals (as summarized above) and/or continued employment with us through a specified vesting period. If the applicable performance goals and other restrictions are not attained, the participant will forfeit his or her awards.

Cash-Based Awards

The MAA Compensation Committee may grant cash bonuses under the MAA 2013 Plan. The cash bonuses may be subject to the achievement of certain performance goals (as summarized above).

Transferability

In general, unless otherwise permitted by the MAA Compensation Committee, no award granted under the MAA 2013 Plan is transferable by the participant other than by will or by the laws of descent and distribution, and awards may be exercised during the participant s lifetime only by the participant, or by the participant s legal representative or guardian in the case of the participant s incapacity.

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Adjustments for Stock Dividends, Stock Splits, Etc.

The MAA 2013 Plan requires the MAA Compensation Committee to make appropriate adjustments to the number of shares of common stock that are subject to the MAA 2013 Plan and to any outstanding awards to reflect stock dividends, stock splits, extraordinary cash dividends and similar events.

Tax Withholding

Participants in the MAA 2013 Plan are responsible for the payment of any federal, state or local taxes that MAA is required by law to withhold upon any option exercise or vesting of other awards or election pursuant to Section 83(b) of the Code. Subject to approval by the MAA Compensation Committee, participants may elect to have the minimum tax withholding obligations satisfied by authorizing us to withhold shares of common stock to be issued pursuant to an option exercise or upon vesting of other awards.

Amendments and Termination

The MAA Board may at any time amend or discontinue the MAA 2013 Plan and the MAA Compensation Committee may at any time amend or cancel any outstanding award for the purpose of satisfying changes in the law or for any other lawful purpose. However, no such action may adversely affect any rights under any outstanding award without the holder s consent. Any amendments that materially change the terms of the MAA 2013 Plan, including any amendments that increase the number of shares reserved for issuance under the MAA 2013 Plan, expand the types of awards available, materially expand the eligibility to participate in, or materially extend the term of, the MAA 2013 Plan, or materially change the method of determining the fair market value of common stock, will be subject to approval by MAA s shareholders. Amendments shall also be subject to approval by MAA s shareholders if and to the extent determined by the MAA Compensation Committee to be required by the Code to preserve the qualified status of incentive options or to ensure that compensation earned under the MAA 2013 Plan qualifies as performance-based compensation under Section 162(m) of the Code.

New Plan Benefits

Because the grant of awards under the MAA 2013 Plan is within the discretion of the MAA Compensation Committee, MAA cannot determine the dollar value or number of shares of common stock that will in the future be received by or allocated to any participant in the MAA 2013 Plan. Accordingly, in lieu of providing information regarding benefits that will be received under the MAA 2013 Plan, the following table provides information concerning the benefits that were received by the following persons and groups during 2012: each named executive officer; all current executive officers, as a group; all current directors who are not executive officers, as a group; and all employees who are not executive officers, as a group.

	Restricted Stock	
Name and Position	**Dollar Value ($)(1)**	**Number (#)**
H. Eric Bolton, Jr., CEO	522,050	8,385
Albert M. Campbell III, CFO	190,702	3,063
Thomas L. Grimes, Jr., COO	187,527	3,012
All current executive officers, as a group	900,279	14,460
All current directors who are not executive officers, as a group	251,219	4,035
All current employees who are not executive officers, as a group	481,892	7,740

(1) Calculations are based on the closing price of MAA common stock of $62.26 on August 20, 2013.

Tax Aspects Under the Code

The following is a summary of the principal U.S. federal income tax consequences of certain transactions under the MAA 2013 Plan. It does not describe all federal tax consequences under the MAA 2013 Plan, nor does it describe state or local tax consequences.

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Incentive Options

No taxable income is generally realized by the optionee upon the grant or exercise of an incentive option. If shares of common stock issued to an optionee pursuant to the exercise of an incentive option are sold or transferred after two years from the date of grant and after one year from the date of exercise, then, generally, for U.S. federal income tax purposes, (1) upon sale of such shares, any amount realized in excess of the option price (the amount paid for the shares) will be taxed to the optionee as a long-term capital gain, and any loss sustained will be a long-term capital loss, and (2) MAA will not be entitled to any deduction. The exercise of an incentive option will give rise to an item of tax preference that may result in alternative minimum tax liability for the optionee.

If shares of common stock acquired upon the exercise of an incentive option are disposed of prior to the expiration of the two-year and one-year holding periods described above (a disqualifying disposition), then, generally, for U.S. federal income tax purposes, (a) the optionee will realize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of the shares of common stock at exercise (or, if less, the amount realized on a sale of such shares of common stock) over the option price thereof, and (b) MAA will be entitled to deduct such amount. Special rules will apply where all or a portion of the exercise price of the incentive option is paid by tendering shares of common stock. If an incentive option is exercised at a time when it no longer qualifies for the tax treatment described above, the option is treated as a non-qualified option. Generally, an incentive option will not be eligible for the tax treatment described above if it is exercised more than three months following termination of employment (or one year in the case of termination of employment by reason of disability). In the case of termination of employment by reason of death, the three-month rule does not apply.

Non-Qualified Options

No income is realized by the optionee at the time the option is granted. Generally (1) at exercise, ordinary income is realized by the optionee in an amount equal to the difference between the option price and the fair market value of the shares of common stock on the date of exercise, and MAA receives a tax deduction for the same amount, and (2) at disposition, appreciation or depreciation after the date of exercise is treated as either short-term or long-term capital gain or loss depending on how long the shares of common stock have been held. Special rules will apply where all or a portion of the exercise price of the non-qualified option is paid by tendering shares of common stock. Upon exercise, the optionee will also be subject to Social Security taxes on the excess of the fair market value over the exercise price of the option.

Parachute Payments

The vesting of any portion of an option or other award that is accelerated due to the occurrence of a change in control may cause a portion of the payments with respect to such accelerated awards to be treated as parachute payments as defined in the Code. Any such parachute payments may be non-deductible to MAA, in whole or in part, and may subject the recipient to a non-deductible 20% U.S. federal excise tax on all or a portion of such payment (in addition to other taxes ordinarily payable).

Limitation on Deductions

As a result of Section 162(m) of the Code, MAA s deduction for certain awards under the MAA 2013 Plan may be limited to the extent that the chief executive officer or other executive officer whose compensation is required to be reported in the summary compensation table (other than the chief financial officer) receives compensation in excess of $1 million per year (other than performance-based compensation that otherwise meets the requirements of Section 162(m) of the Code). The MAA 2013 Plan is structured to allow grants to qualify as performance-based compensation.

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Approval of the MAA 2013 Plan requires the votes cast FOR the proposal exceed the votes cast AGAINST the proposal. For purposes of the proposal to approve the MAA 2013 Plan, if a MAA shareholder abstains, fails to vote or fails to instruct its broker, bank or nominee to vote, it will have no effect on the outcome of the vote for this proposal.

The vote on the approval of the MAA 2013 Plan is a vote separate and apart from the vote to approve the merger agreement and the other transactions contemplated by the merger agreement. You may vote to approve this proposal and vote not to approve the MAA merger proposal, or you may vote against this proposal and vote to approve the merger agreement and the other transactions contemplated by the merger agreement.

Recommendation of the MAA Board

The MAA Board unanimously recommends that MAA shareholders vote FOR the proposal to approve the MAA 2013 Plan.

The MAA Adjournment Proposal

(Proposal 3 on the MAA Proxy Card)

The MAA special meeting may be adjourned to another time or place, if necessary or appropriate in the view of the MAA Board, to permit, among other things, further solicitation of proxies, if necessary or appropriate in the view of the MAA Board, in favor of the other proposals on the MAA proxy card if there are not sufficient votes at the time of such adjournment to approve such proposals.

MAA is asking MAA shareholders to approve the adjournment of the MAA special meeting, if necessary or appropriate in the view of the MAA Board, to solicit additional proxies in favor of the proposals if there are not sufficient votes at the time of such adjournment to approve such proposals. Approval of this proposal requires the affirmative vote of a majority of the votes cast on the proposal.

Recommendation of the MAA Board

The MAA Board unanimously recommends that MAA shareholders vote FOR the proposal to approve one or more adjournments of the MAA special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger.

Other Business

As of the date of this joint proxy statement/prospectus, MAA does not intend to bring any other matters before the MAA special meeting, and MAA has no knowledge of any business that will be presented for consideration at the MAA special meeting and which would be required to be set forth in this joint proxy statement/prospectus other than the matters set forth in the accompanying Notice of Special Meeting of Shareholders of MAA. In accordance with the MAA bylaws and Tennessee law, business transacted at the MAA special meeting will be limited to those matters set forth in such notice. Nonetheless, if any other matter is properly presented at the MAA special meeting for consideration, it is intended that the persons named in the enclosed proxy and acting thereunder will vote in accordance with their discretion on such matter.

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THE COLONIAL SPECIAL MEETING

Date, Time and Place

The Colonial special meeting will be held in the conference center on the 1st floor of the Colonial Brookwood Center, 569 Brookwood Village, Suite 131, Homewood, Alabama 35209 on September 27, 2013 at 10:30 a.m., Central Daylight Time.

Purpose of the Colonial Special Meeting

At the Colonial special meeting, Colonial shareholders will be asked to consider and vote upon the following matters:

- a proposal to approve and adopt the merger agreement and the parent merger pursuant to the plan of merger, which we sometimes refer to as the Colonial merger proposal;
- a proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Colonial in connection with the parent merger; and
- a proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger.

Recommendation of the Colonial Board

The Colonial Board unanimously recommends that Colonial shareholders vote:

- **FOR** the proposal to approve and adopt the merger agreement and the parent merger pursuant to the plan of merger;
- **FOR** the proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Colonial in connection with the mergers; and
- **FOR** the proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger.

As discussed elsewhere in this joint proxy statement/prospectus, after careful consideration, and based in part on the unanimous recommendation of the transaction committee of the Colonial Board, the Colonial Board has unanimously approved and adopted the merger agreement and the plan of merger, and has determined that the parent merger is advisable and in the best interests of Colonial and its shareholders. Certain factors considered by the Colonial Board in reaching its decision to adopt and approve the parent merger can be found in the section of this joint proxy/statement/prospectus entitled The Parent Merger Recommendation of the Colonial Board and Its Reasons for the Parent Merger beginning on page 92.

Approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger is subject to a vote by Colonial s shareholders separate from the vote on approval, on an advisory (non-binding) basis, of the compensation payable to certain executive officers of Colonial in connection with the mergers. Approval of the compensation arrangements is not a condition to completion of the mergers.

Colonial Record Date; Who Can Vote at the Colonial Special Meeting

Only holders of record of Colonial common shares at the close of business on August 22, 2013, Colonial s record date for the Colonial special meeting, are entitled to notice of, and to vote at, the Colonial special meeting or any adjournments or postponements thereof. As of the close of business on the record date, there were 88,828,342 Colonial common shares outstanding and entitled to vote at the Colonial special meeting, held by approximately 2,381 holders of record. Because many of the Colonial common shares are held by brokers and

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other institutions on behalf of Colonial shareholders, Colonial is unable to estimate the total number of Colonial shareholders represented by these record holders. Colonial common shares are the only security the holders of which are entitled to notice of, and to vote at, the Colonial special meeting.

Each Colonial common share owned on Colonial s record date is entitled to one vote on each proposal at the Colonial special meeting.

If you own Colonial common shares that are registered in the name of someone else, such as a broker, bank or other nominee, you need to direct that organization to vote those shares or obtain an authorization from them and vote the shares yourself at the Colonial special meeting.

A list of Colonial shareholders entitled to vote at the Colonial special meeting will be open for examination by any Colonial shareholder, for any purpose germane to the Colonial special meeting, during ordinary business hours for a period of ten days before the Colonial special meeting at Colonial s principal executive offices at 2101 Sixth Avenue North, Suite 750, Birmingham, Alabama 35203, and at the time and place of the Colonial special meeting during the entire time of the Colonial special meeting.

Quorum

The presence at the Colonial special meeting, in person or by proxy, of Colonial shareholders entitled to cast a majority of all the votes entitled to be cast as such meeting will constitute a quorum for purposes of the Colonial special meeting. There must be a quorum for business to be conducted at the Colonial special meeting. It is important that Colonial shareholders vote promptly so that their Colonial common shares are counted toward the quorum.

All Colonial common shares represented at the Colonial special meeting, including abstentions and broker non-votes, will be treated as Colonial common shares that are present for purposes of determining the presence of a quorum. Colonial may seek to adjourn the Colonial special meeting if a quorum is not present at the Colonial special meeting.

Vote Required for Approval

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 Colonial common shares outstanding as of the record date for the Colonial special meeting.

Approval, on an advisory (non-binding) basis, of the compensation payable to certain executive officers of Colonial in connection with the mergers will require the affirmative vote of the holders of a majority of the Colonial common shares present in person or represented by proxy at the Colonial special meeting and entitled to vote on this proposal. An abstention from voting on this proposal will have the same effect as voting against this proposal.

Approval of one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger, will require the affirmative vote of the holders of a majority of the Colonial common shares present in person or represented by proxy at the Colonial special meeting and entitled to vote on this proposal.

Abstentions and Broker Non-Votes

It is important that you vote your Colonial shares. Your failure to vote, or failure to instruct your broker, bank or other nominee on how to vote, will have the same effect as a vote against the Colonial merger proposal, but will have no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Colonial in connection with the mergers or the proposal to approve one or more adjournments of the Colonial special meeting.

If you attend the Colonial special meeting, send in your signed proxy card or vote by telephone or over the Internet, but abstain from voting on any proposal, you will still be counted for purposes of determining whether a

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quorum exists. If you abstain from voting on the proposal to approve the parent merger and to adopt the plan of merger, the advisory (non-binding) proposal to approve compensation payable to certain executive officers of Colonial in connection with the mergers or the adjournment proposal, your abstention will have the same effect as a vote against that proposal.

Banks, brokers and other nominees that hold their customers shares in street name may not vote their customers shares on non-routine matters without instructions from their customers. As each of the proposals to be voted upon at the Colonial special meeting is considered non-routine, such organizations do not have discretion to vote on any of the proposals. As a result, if you fail to provide your broker, bank or other nominee with any instructions regarding how to vote your Colonial common shares, your Colonial common shares will not be considered present at the Colonial special meeting or voted on any of the proposals. If you provide instructions to your broker, bank or other nominee which do not indicate how to vote your Colonial common shares with respect to a particular proposal, in accordance with stock exchange rules relating to non-routine shareholder matters, your Colonial common shares will not be voted with respect to that particular proposal (this is referred to in this context as a broker non-vote). With respect to the proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Colonial in connection with the mergers or the proposal to approve one or more adjournments of the Colonial special meeting, broker non-votes will have no effect on the outcome.

Voting by Colonial Trustees and Executive Officers

At the close of business on the record date, trustees and executive officers of Colonial and their affiliates were entitled to vote 5,909,185 Colonial common shares, or approximately 6.7% of the Colonial common shares issued and outstanding on that date. Messrs. T. Lowder, J. Lowder and Ripps have entered into voting agreements that obligate them to vote FOR the Colonial merger proposal. Additionally, Colonial currently expects that the other Colonial trustees and executive officers will vote their Colonial common shares in favor of the Colonial merger proposal as well as the other proposals to be considered at the Colonial special meeting, although none of them is obligated to do so.

Manner of Submitting Proxy

Whether you plan to attend the Colonial special meeting in person, you should submit your proxy as soon as possible.

If you own Colonial common shares in your own name, you are an owner or holder of record. This means that you may use the enclosed proxy card or the Internet or telephone voting options to tell the persons named as proxies how to vote your Colonial common shares. You have four voting options:

In Person. To vote in person, come to the Colonial special meeting and you will be able to vote by ballot. To ensure that your Colonial common shares are voted at the Colonial special meeting, the Colonial Board recommends that you submit a proxy even if you plan to attend the Colonial special meeting.

Mail. To vote using the enclosed proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the enclosed return envelope. If you return your signed proxy card to Colonial before the Colonial special meeting, Colonial will vote your Colonial common shares as you direct.

Telephone. To vote by telephone, dial the toll-free telephone number located on the enclosed proxy card using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 p.m. Central Daylight Time on September 26, 2013 to be counted.

Internet. To vote over the Internet, go to the web address located on the enclosed proxy card to complete an electronic proxy card. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 p.m. Central Daylight Time on September 26, 2013 to be counted.

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The Internet and telephone voting options available to holders of record are designed to authenticate Colonial shareholders identities, to allow Colonial shareholders to give their proxy voting instructions and to confirm that these instructions have been properly recorded. Proxies submitted over the Internet or by telephone through such a program must be received by 11:59 p.m. Central Daylight Time on September 26, 2013. Submitting a proxy will not affect your right to vote in person if you decide to attend the Colonial special meeting.

Shares held in Street Name

If your Colonial common shares are held in street name by your broker, bank or other nominee, you should have received a voting instruction form, as well as voting instructions with these proxy materials from that organization rather than from Colonial. Your broker, bank or other nominee will vote your Colonial common shares only if you provide instructions to that organization on how to vote. You should provide your broker, bank or other nominee with instructions regarding how to vote your Colonial common shares by following the enclosed instructions provided by that organization. Without such instructions, your shares will NOT be voted on any of the proposals to be voted upon at the Colonial special meeting, which will have the same effect as described above under Abstentions and Broker Non-Votes.

Please note that Colonial shareholders may not vote Colonial common shares held in street name by returning a proxy card directly to Colonial or by voting in person at the Colonial special meeting unless they provide a legal proxy, which Colonial shareholders must obtain from their broker, bank or nominee. Further, brokers, banks or nominees who hold Colonial common shares on behalf of their customers may not give a proxy to Colonial to vote those Colonial common shares without specific instructions from their customers

Revocation of Proxies or Voting Instructions

Your grant of a proxy on the enclosed proxy card or through one of the alternative methods discussed above does not prevent you from voting in person or otherwise revoking your proxy at any time before it is voted at the Colonial special meeting. If your Colonial common shares are registered in your own name, you may revoke your proxy in one of the following ways by:

- submitting notice in writing to Colonial s Corporate Secretary at Colonial Properties Trust, 2101 Sixth Avenue North, Suite 750, Birmingham, Alabama 35203, that you are revoking your proxy that bears a date later than the date of the proxy that you are revoking and that is received before the Colonial special meeting;
- submitting another proxy card bearing a later date and mailing it so that it is received before the Colonial special meeting;
- submitting another proxy using the Internet or telephone voting procedures; or
- attending the Colonial special meeting and voting in person, although simply attending the Colonial special meeting will not revoke your proxy, as you must deliver a notice of revocation or vote at the Colonial special meeting in order to revoke a prior proxy.

Your last vote is the vote that will be counted.

If you have instructed a broker, bank or other nominee to vote your Colonial common shares, you must follow the directions received from your broker, bank or other nominee if you wish to change your vote.

If you have questions about how to vote or revoke your proxy, you should contact our proxy solicitor, Morrow & Co., LLC toll-free at (800) 460-1014.

Tabulation of Votes

Colonial will appoint an inspector of election for the Colonial special meeting to tabulate affirmative and negative votes, broker non-votes and abstentions.

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Solicitation of Proxies; Payment of Solicitation Expenses

Colonial is soliciting proxies for the Colonial special meeting from Colonial shareholders. Colonial will bear the entire cost of soliciting proxies from Colonial shareholders. In addition to this mailing, Colonial s trustees and officers may solicit proxies by telephone, by facsimile, by mail, over the Internet or in person. They will not be paid any additional amounts for soliciting proxies. Arrangements also will be made with brokerage firms and other custodians, nominees and fiduciaries to forward proxy solicitation materials to the beneficial owners of Colonial common shares held of record by those persons, and Colonial will reimburse these brokerage firms, custodians, nominees and fiduciaries for related, reasonable out-of-pocket expenses they incur.

Colonial has engaged Morrow & Co. to assist in the solicitation of proxies for the Colonial special meeting and will pay Morrow & Co. a fee of approximately $25,000, plus reimbursement of out-of-pocket expenses and will indemnify Morrow & Co. and its affiliates against certain claims, liabilities, losses, damages and expenses. The address of Morrow & Co. is 470 West Avenue, Stamford, CT 06902. You can call Morrow & Co., LLC at (203) 658-9400 or toll-free at (800) 460-1014.

Adjournment

In addition to the other proposals being considered at the Colonial special meeting, Colonial shareholders are also being asked to approve a proposal that will give the Colonial Board authority to adjourn the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger. If this proposal is approved, the Colonial special meeting could be successively adjourned to any date. In addition, the Colonial Board could postpone the Colonial special meeting before it commences, whether for the purpose of soliciting additional proxies or for other reasons. If the Colonial special meeting is adjourned for the purpose of soliciting additional proxies, Colonial shareholders who have already submitted their proxies will be able to revoke them at any time prior to their use.

Whether a quorum is present, upon the affirmative vote of the holders of a majority of the Colonial common shares present in person or represented by proxy at the Colonial special meeting and entitled to vote on the adjournment, Colonial may adjourn the Colonial special meeting.

Rights of Dissenting Shareholders

Under the AREITL, Colonial shareholders are entitled to dissenters rights of appraisal with respect to Colonial common shares that are the same rights as a dissenting shareholder of an Alabama business corporation. Therefore, pursuant to Section 10A-2-13.01 *et seq.* of the ABCL (ABCL Article 13), holders of Colonial common shares are entitled to dissenters rights of appraisal in connection with the parent merger. This means that, subject to the parent merger being consummated, you are entitled to payment by MAA of the fair value (as defined in ABCL Article 13) of such dissenting Colonial common shares plus accrued interest in accordance with ABCL Article 13. The ultimate amount you receive in an appraisal proceeding may be less than, equal to or more than the amount you would have received under the merger agreement. To exercise your dissenters rights, you must submit a written demand for dissenters rights of appraisal to Colonial before the shareholder vote is taken on the merger agreement and plan of merger, and you must not vote in favor of the proposal to adopt the merger agreement. Colonial common shares held by shareholders who properly demand and exercise their dissenters rights of appraisal pursuant to ABCL Article 13 will not be converted into the right to receive the merger consideration. Your failure to follow exactly the procedures specified under ABCL Article 13 may result in the loss of your dissenters rights of appraisal. See Dissenters Rights beginning on page 177 and the text of ABCL Article 13 reproduced in its entirety as Annex H to this joint proxy statement/prospectus. If you hold your Colonial common shares through a broker, bank or other nominee and you wish to exercise dissenter s rights, you should consult such organization to determine the appropriate procedures for the making of a demand for dissenters rights by that organization. In view of the complexity of the ABCL, shareholders who may wish to pursue dissenters rights should consult their legal and financial advisors.

Assistance

If you need assistance in completing your proxy card or have questions regarding the various voting options with respect to the Colonial special meeting, please contact Colonial s proxy solicitor, Morrow & Co., LLC, at (203) 658-9400 or toll-free at (800) 460-1014.

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PROPOSALS SUBMITTED TO COLONIAL SHAREHOLDERS

Merger Proposal

(Proposal 1 on the Colonial Proxy Card)

Colonial shareholders are asked to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement. For a summary and detailed information regarding this proposal to approve and adopt the merger agreement, the parent merger pursuant to plan of merger and the other transactions contemplated by the merger agreement, see the information about the merger agreement and the parent merger throughout this joint proxy statement/prospectus, including the information set forth in sections entitled The Parent Merger beginning on page 68 and The Merger Agreement beginning on page 151. A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus and a copy of the plan of merger is attached as Annex B to this joint proxy statement/prospectus, each of which is incorporated by reference herein.

Pursuant to the merger agreement, approval of this proposal is a condition to the closing of the mergers. If the proposal is not approved, the mergers will not be completed even if the other proposals considered at the Colonial special meeting are approved.

Colonial is requesting that Colonial shareholders approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement. If you return a properly executed proxy card, but do not indicate instructions on your proxy card, your Colonial common shares represented by such proxy card will be voted FOR the approval and adoption of the merger agreement, the parent merger pursuant to plan of merger and the other transactions contemplated by the merger agreement.

Approval of the proposal to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding Colonial common shares entitled to vote on such proposal.

Recommendation of the Colonial Board

The Colonial Board unanimously recommends that Colonial shareholders vote FOR the proposal to approve and adopt the merger agreement, the parent merger pursuant to plan of merger and the other transactions contemplated by the merger agreement.

Advisory Vote on Executive Compensation

(Proposal 2 on the Colonial Proxy Card)

As required by Section 14A of the Exchange Act and the SEC s rules thereunder, Colonial is asking its shareholders to cast an advisory (non-binding) vote on the compensation that may be payable to its named executive officers in connection with the mergers, as described in this joint proxy statement/prospectus under The Parent Merger Executive Compensation Payable in Connection with the Mergers Change in Control Compensation, including in the associated narrative discussion. In accordance with these requirements, Colonial is asking its shareholders to vote on the adoption of the following resolution:

RESOLVED, that the compensation that may be payable to Colonial s named executive officers in connection with the mergers, as disclosed in the table captioned Change in Control Compensation on page 123 under The Parent Merger Executive Compensation Payable in Connection with the Mergers, including the associated narrative discussion, and the agreements or understandings pursuant to which such compensation may be payable, are hereby APPROVED.

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The vote on the executive compensation payable in connection with the mergers is a vote separate and apart from the vote to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement. You may vote to approve this proposal and vote not to approve the Colonial merger proposal, or you may vote against this proposal and vote to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement. Because the vote on this proposal is advisory in nature only, it will not be binding on Colonial. Accordingly, because Colonial is contractually obligated to pay the compensation covered by this proposal, such compensation will be payable, subject only to certain applicable conditions, if the parent merger is approved and regardless of the outcome of the advisory vote.

The affirmative vote of the holders of a majority of Colonial common shares present in person or represented by proxy at the Colonial special meeting and entitled to vote on this proposal will be required to approve the proposal. If you return a properly executed proxy card, but do not indicate instructions on your proxy card, your shares of common stock represented by such proxy card will be voted FOR this proposal. Abstentions from voting on this proposal will have the same effect as a vote against this proposal. Failures to submit a proxy (if you do not attend the Colonial special meeting in person) and any broker non-votes will not affect the outcome of the vote on this proposal.

Recommendation of the Colonial Board

The Colonial Board unanimously recommends that Colonial shareholders vote FOR the proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Colonial in connection with the mergers.

Colonial Adjournment Proposal

(Proposal 3 on the Colonial Proxy Card)

Colonial is asking its shareholders to consider and vote upon a proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger.

If the number of Colonial common shares present in person or represented by proxy at the Colonial special meeting voting in favor of proposal 1 to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement is insufficient to approve proposal 1 at the time of the Colonial special meeting, then Colonial may move to adjourn the Colonial special meeting in order to enable the Colonial Board to solicit additional proxies in respect of such proposal. In that event, Colonial shareholders will be asked to vote only upon the adjournment proposal, and not on any other proposal, including proposal 1.

In this proposal, you are being asked to authorize the holder of any proxy solicited by the Colonial Board to vote in favor of granting discretionary authority to the proxy or attorney-in-fact to adjourn the Colonial special meeting one or more times for the purpose of soliciting additional proxies. If Colonial shareholders approve the adjournment proposal, Colonial could adjourn the Colonial special meeting and any adjourned session of the Colonial special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Colonial shareholders that have previously returned properly executed proxies or authorized a proxy by using the Internet or telephone. Among other things, approval of the adjournment proposal could mean that, even if Colonial has received proxies representing a sufficient number of votes against the approval of proposal 1 such that the proposal would be defeated, Colonial could adjourn the Colonial special meeting without a vote on proposal 1 and seek to obtain sufficient votes in favor of approval of proposal 1 to obtain approval of that proposal.

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Whether a quorum is present, the affirmative vote of the holders of a majority of Colonial common shares present in person or represented by proxy at the Colonial special meeting and entitled to vote on this proposal will be required to approve the proposal. If you return a properly executed proxy card, but do not indicate instructions on your proxy card, your Colonial common shares represented by such proxy card will be voted FOR this proposal. Abstentions from voting on this proposal will have the same effect as a vote against this proposal. Failures to submit a proxy (if you do not attend the Colonial special meeting in person) and any broker non-votes will not affect the outcome of the vote on this proposal.

Recommendation of the Colonial Board

The Colonial Board unanimously recommends that Colonial shareholders vote FOR the proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger.

Other Business

At this time, Colonial does not intend to bring any other matters before the Colonial special meeting, and Colonial does not know of any matters to be brought before the Colonial special meeting by others. If, however, any other matters properly come before the Colonial special meeting, the persons named in the enclosed proxy, or their duly constituted substitutes, acting at the Colonial special meeting or any adjournment or postponement thereof will be deemed authorized to vote the Colonial common shares represented thereby in accordance with the judgment of management on any such matter.

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THE PARENT MERGER

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

General

Each of the MAA Board and the Colonial Board has unanimously approved the merger agreement, the parent merger and the other transactions contemplated by the merger agreement. In the parent merger, Colonial will merge with and into MAA, with MAA continuing as the Combined Corporation, and Colonial shareholders will receive the merger consideration described below under The Merger Agreement Merger Consideration; Effects of the Parent Merger and the Partnership Merger.

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 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 proxy statement/prospectus as Company A, and a real estate investment and management services firm, referred to in this joint proxy statement/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 proxy statement/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.

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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.

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.

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

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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.

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.

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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 occurred 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.

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

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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.

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.

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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 proxy statement/prospectus as 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.

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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, 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.

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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 28th 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.

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

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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 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

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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 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

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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 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.

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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 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.

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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 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.

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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.

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.

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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.

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

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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 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.

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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.

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

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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.

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.

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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.

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. After a discussion by the MAA Board of various financial aspects of the proposed strategic transaction with Colonial and J.P. Morgan s valuation analysis, J.P. Morgan delivered to the MAA Board an oral opinion, which was confirmed by the delivery of a written opinion dated June 1, 2013, to the effect that, as of that date and based on and subject to various assumptions and limitations described in its opinion, the exchange ratio provided for in the merger agreement was fair, from a financial point of view, to MAA. Following

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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 Parent Merger, 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 proxy statement/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 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 and its financial analysis of the exchange ratio provided for in the parent merger and delivered to the Colonial Board an oral opinion, confirmed by delivery of a written opinion dated June 2, 2013, to the effect that, as of that date and based on and subject to various assumptions and limitations described in the opinion, the exchange ratio provided for in the parent merger was fair, from a financial point of view, to the holders of Colonial common shares. 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 the Colonial Board and Its Reasons for the Parent Merger, 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, (ii) approved and adopted the merger agreement and the plan of merger, (iii) directed that the merger agreement and the parent merger pursuant to the plan of merger be submitted for approval at a meeting of Colonial shareholders and (iv) recommended the approval of the merger agreement and the parent merger pursuant to the plan of merger by Colonial shareholders.

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.

Recommendation of the MAA Board and Its Reasons for the Parent Merger

In evaluating the parent merger, the MAA Board consulted with its legal and financial advisors and MAA s management and, after careful consideration, the MAA Board unanimously determined and declared that the merger agreement, the parent merger and the other transactions contemplated by the merger agreement (including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger) are

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advisable and in the best interests of MAA and its shareholders. The MAA Board unanimously adopted and approved the merger agreement, the parent merger and the other transactions contemplated by the merger agreement.

The MAA Board unanimously recommends that MAA shareholders vote **FOR** the proposal to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of shares of MAA common stock to Colonial shareholders in the parent merger.

In deciding to declare advisable and approve and adopt the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, including the issuance of the MAA common stock to the Colonial shareholders in connection with the parent merger, and to recommend that MAA shareholders vote to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, 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 parent merger 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 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;

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 is 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 combination of MAA and Colonial would more rapidly advance a number of strategic priorities underway at MAA, 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 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 is 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 will provide improved liquidity for MAA shareholders 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 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 to be more competitive in the markets in which it operates.

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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 the Combined Corporation.

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 160).

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 160).

Opinion of Financial Advisor. The MAA Board considered the financial analyses presented to it by J.P. Morgan and J.P. Morgan s oral opinion to the MAA Board, subsequently confirmed in writing, as to the fairness, from a financial point of view and as of the date of the opinion, to MAA of the exchange ratio pursuant to the merger agreement, which opinion was based on and subject to the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken as more fully described below in the section Opinion of MAA s Financial Advisor beginning on page 98.

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.

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;

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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;

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; 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.

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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 the Colonial Board and Its Reasons for the Parent Merger

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 unanimously (i) determined that the parent merger (including the plan of merger) and the other transactions contemplated by the merger agreement are advisable and in the best interests of Colonial and its shareholders, (ii) approved and adopted the merger agreement and the plan of merger, (iii) directed that a proposal to approve and adopt the merger agreement and the parent merger pursuant to the plan of merger be submitted for consideration at a meeting of Colonial s shareholders and (iv) recommended the approval and adoption of the merger agreement and parent merger pursuant to the plan of merger by Colonial s shareholders. The Colonial Board unanimously recommends that Colonial shareholders vote **FOR** the proposal to approve and adopt the merger agreement, the parent merger pursuant to plan of merger and the other transactions contemplated by the merger agreement, **FOR** the proposal to approve, on an advisory (non-binding) basis, the compensation payable to certain executive officers of Colonial in connection with the parent merger and **FOR** the proposal to approve one or more adjournments of the Colonial special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval and adoption of the merger agreement and the parent merger pursuant to the plan of merger.

In evaluating the parent merger, the Colonial Board consulted with Colonial s management and outside legal and financial advisors. In deciding to declare advisable and approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, and to recommend that Colonial s shareholders vote to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, the Colonial Board considered various factors that it viewed as supporting its decision, 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 Board to conclude that the alternative of continuing as a stand-alone company was less favorable to the Colonial shareholders than the parent merger and that the parent merger 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 pre-eminent 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 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 is 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 is 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 Combined Corporation is expected to benefit from Colonial s development pipeline and internal development capabilities;

the increased size and scale of the Combined Corporation 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 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 merger is expected to enhance the Combined Corporation s ability to execute large, accretive transactions and facilitate opportunistic growth and capital deployment.

MAA 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, on both a historical and prospective basis, including MAA 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 parent merger, 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 proxy statement/prospectus under Risk Factors Risks 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.

Merger Consideration. The Colonial Board evaluated the value of the 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 to be received as consideration, 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 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 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.

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Dividend Rate. The Colonial Board considered that, based on the current dividend rates of Colonial and MAA, Colonial shareholders 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.

Opinion of Financial Advisor. The Colonial Board considered the opinion, dated June 2, 2013, of BofA Merrill Lynch to the Colonial Board as to the fairness, from a financial point of view and as of such date, to the holders of Colonial common shares of the exchange ratio provided for in the parent merger, which opinion was based on and subject to the assumptions made, procedures followed, factors considered and limitations on the review undertaken as more fully described in the section entitled Opinion of Colonial s Financial Advisor.

Tax-Free Transaction. The Colonial Board considered the expectation that the parent merger will generally qualify as a tax-free transaction for U.S. federal income tax purposes to Colonial shareholders 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;

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

pursuant to the plan of 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);

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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 parent merger; 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 parent merger.

Treatment of Holders of Limited Partner Interests in Colonial LP. The Colonial Board considered that, pursuant to the terms of the merger agreement, holders of limited partner interests in Colonial LP 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.

Dissenters Rights. The Colonial Board considered the fact that Colonial shareholders will have the right to exercise dissenters rights, as described in the section entitled Dissenters Rights beginning on page 177.

Alternative Transactions. The Colonial Board also considered, as alternatives to the parent merger 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 parent merger 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 proxy statement/prospectus under The Parent Merger 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 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 strategic benefits of a transaction with MAA described above, that it was in the best interests of the Colonial shareholders for Colonial to pursue a transaction with MAA, offering Colonial shareholders the prospect of continued participation in the long-term value creation of the Combined Corporation, 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);

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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 Parent Merger 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.

The Colonial 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, including the following material factors:

that, following completion of the parent merger, Colonial would no longer exist as an independent public company and Colonial s shareholders 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 parent merger being completed, the parent merger 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;

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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, 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 parent merger does 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 parent merger 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 may be adversely affected by any decrease in the trading price of MAA common stock between the announcement of the transaction and the completion of the parent merger, 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 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 parent merger, which could delay or prevent Colonial 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

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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 in the strategic combination merger with MAA;

that certain of Colonial s trustees and executive officers have certain interests in the parent merger that might be different from the interests of Colonial s shareholders generally as described under the section entitled The Parent Merger Interests of Colonial s Trustees and Executive Officers in the Mergers beginning on page 118; 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 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 Colonial Board in evaluating the merger agreement and the transactions contemplated by it, including the parent 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.

THE COLONIAL BOARD UNANIMOUSLY RECOMMENDS THAT COLONIAL SHAREHOLDERS VOTE FOR THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT, THE PARENT MERGER PURSUANT TO THE PLAN OF MERGER AND THE OTHER TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, FOR THE ADVISORY VOTE ON EXECUTIVE COMPENSATION PROPOSAL AND FOR THE PROPOSAL TO ADJOURN.

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 44.

Opinion of MAA s Financial Advisor

Pursuant to an engagement letter dated May 31, 2013, MAA retained J.P. Morgan as its financial advisor in connection with the parent merger.

At the meeting of the MAA Board on June 1, 2013, J.P. Morgan rendered its oral opinion to the MAA Board that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the exchange ratio in the parent merger was fair, from a financial point of view, to MAA. J.P. Morgan has confirmed its June 1, 2013 oral opinion by delivering its written opinion to the MAA Board, dated June 1, 2013, that, as of such date, the exchange ratio in the parent merger was fair, from a financial point of view, to MAA. No limitations were imposed by the MAA Board upon J.P. Morgan with respect to the investigations made or procedures followed by it in rendering its opinions.

The full text of the written opinion of J.P. Morgan dated June 1, 2013, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex F to this joint proxy statement/prospectus and is incorporated herein by reference. You are urged to read the opinion in its entirety. J.P. Morgan s written opinion is addressed to the MAA Board, is directed only to

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the exchange ratio in the parent merger and does not constitute a recommendation to any shareholder of MAA as to how such shareholder should vote at the MAA special meeting. The summary of the opinion of J.P. Morgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion.

In arriving at its opinions, J.P. Morgan, among other things:

- reviewed a draft dated May 31, 2013 of the merger agreement;
- reviewed certain publicly available business and financial information concerning MAA and Colonial and the industries in which they operate;
- compared the financial and operating performance of MAA and Colonial with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of shares of MAA common stock and Colonial common shares and certain publicly traded securities of such other companies;
- reviewed certain internal financial analyses and forecasts prepared by the management of MAA and used by J.P. Morgan at the direction of the management of MAA, relating to the respective businesses of MAA and Colonial, as well as the estimated amount and timing of cost savings and related expenses and synergies expected to result from the parent merger; and
- performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

J.P. Morgan also held discussions with certain members of the management of MAA and Colonial with respect to certain aspects of the parent merger, and the past and current business operations of MAA and Colonial, the financial condition and future prospects and operations of MAA and Colonial, the effects of the parent merger on the financial condition and future prospects of MAA, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

J.P. Morgan relied upon and assumed, without assuming responsibility or liability for independent verification, the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by MAA and Colonial or otherwise reviewed by or for J.P. Morgan. J.P. Morgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities (including real estate assets and liabilities), nor did J.P. Morgan evaluate the solvency of MAA or Colonial under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to it or derived therefrom, including the synergies referred to above, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management of MAA and Colonial, as applicable, as to the expected future results of operations and financial condition of MAA and Colonial to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based. J.P. Morgan also assumed for United States federal income tax purposes that the partnership merger will qualify as and constitute a tax-free assets-over form of merger governed by Treasury Regulations Section 1.708-1(c)(3)(i) and the parent merger will qualify as a tax-free reorganization, and in each case will be consummated as described in the merger agreement and this joint proxy statement/prospectus, and that the definitive merger agreement would not differ in any material respect from the draft thereof provided to J.P. Morgan. J.P. Morgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to MAA with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the parent merger will be obtained without any adverse effect on MAA or Colonial or on the contemplated benefits of the parent merger.

The projections furnished to J.P. Morgan for MAA and Colonial were prepared by the management of MAA and used by J.P. Morgan at the direction of the management of MAA. MAA does not publicly disclose internal management projections of the type provided to J.P. Morgan in connection with J.P. Morgan s analysis of the parent merger, and such projections were not prepared with a view toward public disclosure. These projections

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were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in such projections. For more information on the projections provided to J.P. Morgan, see Certain MAA Unaudited Prospective Financial Information beginning on page 112 and Certain Colonial Unaudited Prospective Financial Information beginning on page 115.

J.P. Morgan s opinion is based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of such opinion. Subsequent developments may affect J.P. Morgan s written opinion dated June 1, 2013, and J.P. Morgan does not have any obligation to update, revise, or reaffirm such opinion. J.P. Morgan s opinion is limited to the fairness, from a financial point of view, of the exchange ratio in the parent merger, and J.P. Morgan has expressed no opinion as to the fairness of the parent merger to, or any consideration of, the holders of any class of securities, creditors or other constituencies of MAA or the underlying decision by MAA to engage in the parent merger. J.P. Morgan expressed no opinion as to the price at which shares of MAA s common stock or Colonial s common shares will trade at any future time, whether before or after the closing of the parent merger.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses utilized by J.P. Morgan in connection with providing its opinion.

Public Trading Multiples. Using publicly available information, including published equity research analysts estimates of Funds From Operations, which we refer to as FFO, per share and Adjusted Funds From Operations, which we refer to as AFFO, per share for calendar year 2014, which we refer to as CY14, J.P. Morgan analyzed certain trading multiples of other selected publicly traded REITs. None of the selected REITs are identical to MAA or Colonial. However, the selected REITs were chosen because they are publicly traded REITs with operations that, for purposes of the analysis of J.P. Morgan, may be considered similar to those of MAA and Colonial, including primarily the ownership of multifamily real estate.

For each of the selected REITs, J.P. Morgan calculated the multiple of equity market price per share to the median estimate of CY14 FFO per share and AFFO per share, as reported by equity research analysts as of May 30, 2013. J.P. Morgan also calculated the same trading multiples for MAA and Colonial based on equity research analyst data and data provided by MAA management. In J.P. Morgan s view, the FFO and AFFO metrics used by equity research analysts and MAA management were sufficiently similar so as not to materially affect this analysis.

The following presents the results of this analysis:

	Price / FFO per Share Multiple	Price / AFFO per Share Multiple
Consensus equity research estimates	**CY14**	**CY14**
UDR, Inc.	16.4x	18.6x
Camden Property Trust	16.1x	19.0x
Essex Property Trust, Inc.	19.1x	20.9x
BRE Properties, Inc.	19.4x	21.5x
Home Properties, Inc.	13.1x	14.8x
Post Properties, Inc.	17.3x	19.8x
MAA	13.2x	15.1x
Colonial	14.7x	18.3x

	Price / FFO per Share Multiple	Price / AFFO per Share Multiple
Management estimates	**CY14**	**CY14**
MAA	13.2x	15.2x
Colonial	16.0x	18.0x

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J.P. Morgan also calculated the trading multiples above for Colonial taking into account adjustments for $217 million of assets under letters of intent or recently completed property divestitures and $108 million for the value of land. Factoring in these adjustments, the Colonial CY14 FFO and AFFO per share would be 12.4x and 15.5x, respectively, based on equity research estimates, and 13.6x and 15.3x, respectively, based on MAA management estimates.

Based on the above analysis and other factors J.P. Morgan considered appropriate, J.P. Morgan then applied a multiple reference range of 13.0x to 16.0x for CY14 FFO per share and 15.0x to 19.0x for CY14 AFFO per share. The analysis indicated the following equity values per share of MAA common stock and Colonial common share.

	Equity value per MAA share		Equity value per Colonial share	
Price / CY14 FFO per share multiple	$ 66.80	$82.20	$ 21.50	$25.70
Price / CY14 AFFO per share multiple	$ 66.90	$84.80	$ 22.00	$27.00

Net Asset Value Analysis. J.P. Morgan prepared a per share net asset value analysis for MAA using 2013 estimated cash net operating income and asset and liability balances as of March 31, 2013. Capitalization rate ranges varied by property based on the type of property, property age, location, property quality and other factors. J.P. Morgan applied a range of capitalization rates, which differed by asset, of 5.00%, at the low end, to 7.50%, at the high end, to the 2013 estimated cash net operating income for each property in MAA s portfolio to arrive at an aggregate value for the property portfolio at March 31, 2013. The capitalization rate range represented estimated private market capitalization rates by property type, market size and quality based on research analyst estimates. To this aggregate value amount, J.P. Morgan added the value of other tangible real estate and non-real estate assets, including land and capital improvement projects. From gross asset value, J.P. Morgan deducted debt balances, other tangible liabilities, a debt mark-to-market adjustment and a swap mark-to-market adjustment.

J.P. Morgan prepared a per share net asset value analysis for Colonial using 2013 estimated cash net operating income and asset and liability balances as of March 31, 2013. Capitalization rate ranges varied by property based on the type of property, property age, location, property quality and other factors. J.P. Morgan applied a range of capitalization rates, which differed by asset, of 4.25%, at the low end, to 7.00%, at the high end, to the 2013 estimated cash net operating income for each multifamily property in Colonial s portfolio to arrive at an aggregate value for the property portfolio at March 31, 2013. Similarly, J.P. Morgan applied a range of capitalization rates, which differed by asset, of 6.50%, at the low end, to 9.00%, at the high end, to the 2013 estimated cash net operating income for each commercial property in Colonial s portfolio to arrive at an aggregate value for the property portfolio at March 31, 2013. The capitalization rate range represented the estimated private market capitalization rates by property type, market size and quality based on research analyst estimates. To this aggregate value amount, J.P. Morgan added the value of other tangible real estate and non-real estate assets, including land and capital improvement projects. From gross asset value, J.P. Morgan deducted debt balances, other tangible liabilities, a debt mark-to-market adjustment and a swap mark-to-market adjustment. Synergies were not taken into account in the net asset value analysis for either MAA or Colonial. The analysis indicated the following equity values per share of MAA common stock and Colonial common share.

	Equity value per MAA share		Equity value per Colonial share	
Net asset valuation analysis	$ 64.70	$74.30	$ 22.80	$27.10

Discounted Cash Flow Analysis. J.P. Morgan conducted a discounted cash flow analysis for the purpose of determining the fully diluted equity value per share for each of MAA s common stock and Colonial s common shares. J.P. Morgan calculated the unlevered free cash flows that MAA and Colonial are expected to generate during fiscal years 2013 through 2022 based on projections and extrapolations provided by MAA s management through 2017 and additional extrapolations reviewed and approved by MAA s management. For purposes of the J.P. Morgan opinion, unlevered free cash was calculated by taking the Earnings Before Interest, Taxes, Depreciation and Amortization (including cost of stock-based compensation treated as a cash expense), subtracting capital expenditures, subtracting property acquisition costs, adding property or joint venture disposition proceeds, subtracting development spending and adjusting for changes in working capital.

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The following table presents the sum of capital expenditures, property acquisition costs, property or joint venture disposition proceeds and development spending, adjusted for changes in working capital, as projected by MAA management for fiscal years 2013 through 2017 and provided by MAA management to J.P. Morgan:

($ in million)	2013	2014	2015	2016	2017
MAA	$ (277)	$ (334)	$ (322)	$ (325)	$ (330)
Colonial	$ (106)	$ (170)	$ (13)	$ (55)	$ (60)

J.P. Morgan also calculated a range of terminal asset values of each of MAA and Colonial at the end of the 10-year period ending December 31, 2022 by applying a perpetual growth rate ranging from 2.25% to 2.75% of the unlevered free cash flow of each company during the final year of the 10-year period. The unlevered free cash flows and the range of terminal asset values were then discounted to present values using a range of discount rates from 7.5% to 8.0%, which were chosen by J.P. Morgan based upon an analysis of the weighted average cost of capital of selected REITs, which were chosen because they are publicly traded REITs with operations that, for purposes of the analysis of J.P. Morgan, may be considered similar to those of MAA and Colonial, including primarily the ownership of multifamily real estate. The present value of the unlevered free cash flows and the range of terminal asset values were then adjusted for each company s cash and debt balances as of March 31, 2013. The Colonial value was further adjusted based on the value of assets under letters of intent or recently completed property divestitures of $217 million and the value of land not developed by 2022 of $51 million, based on estimates derived from information provided by Colonial management. The analysis indicated the following equity values per share of MAA common stock and Colonial common share.

	Equity value per MAA share		Equity value per Colonial share	
Discounted cash flow analysis	$ 60.90	$83.00	$ 22.80	$30.00

Relative Value Analysis. Based upon a comparison of the range of implied equity values for each of MAA and Colonial calculated pursuant to the trading multiples analysis, net asset value analysis and discounted cash flow analysis, J.P. Morgan calculated a range of implied exchange ratios for the transaction. This analysis indicated the following implied exchange ratios:

	Range of implied exchange ratios	
Public trading multiples		
Price / CY14 FFO per share	0.262x	0.385x
Price / CY14 AFFO per share	0.259x	0.403x
Net asset value analysis	0.307x	0.419x
Discounted cash flow analysis	0.275x	0.493x

J.P. Morgan then compared the range of implied exchange ratios above to the natural exchange ratio of 0.325x (calculated as Colonial s market price divided by MAA s market price as of May 30, 2013) and the exchange ratio of 0.360x.

Value Creation Analysis Intrinsic Value Approach. J.P. Morgan prepared a value creation analysis that compared the implied equity value of MAA s common stock per share based on the discounted cash flow analysis to the pro forma Combined Corporation equity value per share. The pro forma Combined Corporation equity value was equal to: (1) (a) the mid-point equity value of MAA using discounted cash flow analysis at a discount rate of 7.75%, plus (b) the mid-point equity value of Colonial using discounted cash flow analysis at a discount rate of 7.75%, plus (c) the net present value of expected synergies calculated by discounting the expected cash flows from MAA management s estimated synergies at a discount rate of 7.75%, less (d) an estimated $60 million of costs to achieve such synergies and transaction-related expenses; divided by (2) pro forma diluted shares outstanding of the Combined Corporation common stock. There can be no assurance that the synergies, estimated cost to achieve such synergies or estimated transaction-related expenses will not be

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substantially greater or less than MAA management s estimates. Similarly, there can be no assurance that the discount rate will not be substantially greater or less than J.P. Morgan s estimates. This analysis, at the exchange ratio of 0.360x provided for in the parent merger, resulted in an implied value creation to the holders of MAA common stock of 8.2%.

Other Analyses. J.P. Morgan also noted the historical exchange ratio and accretion/dilution analyses described below for reference purposes only and not as a component of its fairness analysis. These analyses did not form a basis for, and were not relied on in forming, J.P. Morgan s opinion.

J.P. Morgan calculated (1) the implied historical exchange ratios during the one-year period ended May 30, 2013 by dividing the daily closing price per Colonial common share by that of a share of MAA common stock for each trading day during that period and (2) the average of those daily implied historical exchange ratios for the ten-days, one-month, three-months, six-months, and one-year periods ending May 30, 2013. J.P. Morgan also noted the low and high exchange ratios for each period referenced in clause (2) above and the resulting premiums of the proposed exchange ratio to the average exchange ratios for each such period. The analysis resulted in the following implied exchange ratios for the periods indicated, as compared to the exchange ratio of 0.360x provided for in the parent merger:

	10-day	1-month	3-months	6-months	1-year
Average	0.329x	0.329x	0.328x	0.328x	0.327x

J.P. Morgan reviewed the potential pro forma financial effects of the parent merger, taking into account, among other things, MAA management s estimated synergies, on the Combined Corporation s estimated FFO and AFFO during calendar years 2014 and 2015. Based on the exchange ratio in the parent merger, this analysis indicated that, on a pro forma basis, the parent merger could be accretive relative to the Combined Corporation s estimated FFO during calendar years 2014 and 2015 and dilutive relative to the Combined Corporation s estimated AFFO during calendar years 2014 and 2015.

The following presents the results of this analysis:

	$ per share	%
FFO per share accretion/dilution		
2014E	$ 0.12	2.3%
2015E	$ 0.09	1.7%
AFFO per share accretion/dilution		
2014E	($ 0.08)	(1.7%)
2015E	($ 0.03)	(0.7%)

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan s analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. None of

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the selected companies reviewed as described in the above summary is identical to MAA or Colonial. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan s analysis, may be considered similar to those of MAA or Colonial. The analysis necessarily involves complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to MAA or Colonial.

As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes. J.P. Morgan was selected to advise MAA with respect to the parent merger on the basis of such experience and its familiarity with MAA.

For services rendered in connection with the parent merger, MAA has agreed to pay J.P. Morgan a fee of $12 million, $2 million of which was payable upon delivery by J.P. Morgan of its opinion and the remainder of which will be payable contingent upon closing of the parent merger. In addition to the transaction fee, MAA may, at its sole discretion, pay J.P. Morgan an additional discretionary fee at closing of $2 million, based on MAA s assessment of J.P. Morgan s performance of its services rendered in connection with the parent merger. In addition, MAA has agreed to reimburse J.P. Morgan for its reasonable expenses incurred in connection with its services, including the reasonable fees and disbursements of counsel, and will indemnify J.P. Morgan against certain liabilities, including liabilities arising under the Federal securities laws.

During the two years preceding the date of its oral opinion, J.P. Morgan and its affiliates have had commercial or investment banking relationships with MAA, for which J.P. Morgan and its affiliates received compensation in the aggregate amount of approximately $2.5 million, of which $2.0 million represents the compensation paid to J.P. Morgan upon delivery of its fairness opinion. Such services during such period have included acting as co-lead arranger on MAA s term loan credit facility in March of 2012 and acting as joint bookrunner on MAA s equity offering in March of 2013. In addition, J.P. Morgan s commercial banking affiliate is an agent bank and a lender under certain outstanding credit facilities of MAA. In June 2013, following delivery of its oral opinion, J.P. Morgan s commercial banking affiliate also agreed to act as administrative agent, lead arranger and lender under MAA s new term loan credit facility. During such period, neither J.P. Morgan nor its affiliates have had any material financial advisory or other material commercial or investment banking relationships with Colonial. In the ordinary course of their businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of MAA or Colonial for their own accounts or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities.

Opinion of Colonial s Financial Advisor

Colonial has retained BofA Merrill Lynch to act as Colonial s financial advisor in connection with the mergers. BofA Merrill Lynch is an internationally recognized investment banking firm, which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Colonial selected BofA Merrill Lynch to act as Colonial s financial advisor on the basis of BofA Merrill Lynch s experience in similar transactions, its reputation in the investment community and its familiarity with Colonial and its business.

At a June 2, 2013 meeting of the Colonial Board held to evaluate the parent merger, BofA Merrill Lynch rendered to the Colonial Board an oral opinion, confirmed by delivery of a written opinion dated June 2, 2013, to the effect that, as of that date and based on and subject to various assumptions and limitations described in the opinion, the exchange ratio provided for in the parent merger was fair, from a financial point of view, to the holders of Colonial common shares.

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The full text of BofA Merrill Lynch s written opinion, dated June 2, 2013, is attached as Annex G to this joint proxy statement/prospectus and is incorporated in this document by reference. The written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by BofA Merrill Lynch in rendering its opinion. The following summary of BofA Merrill Lynch s opinion is qualified in its entirety by reference to the full text of the opinion. **BofA Merrill Lynch delivered its opinion to the Colonial Board for the benefit and use of the Colonial Board (in its capacity as such) in connection with and for purposes of its evaluation of the exchange ratio provided for in the parent merger from a financial point of view. BofA Merrill Lynch s opinion did not address any other aspect of the mergers and no opinion or view was expressed as to the relative merits of the mergers in comparison to other strategies or transactions that might be available to Colonial or in which Colonial might engage or as to the underlying business decision of Colonial to proceed with or effect the mergers. BofA Merrill Lynch also expressed no opinion or recommendation as to how any shareholder should vote or act in connection with the mergers or any other matter.**

In connection with its opinion, BofA Merrill Lynch, among other things:

- reviewed certain publicly available business and financial information relating to Colonial and MAA;
- reviewed certain internal financial and operating information with respect to the business, operations and prospects of Colonial furnished to or discussed with BofA Merrill Lynch by Colonial s management, including certain financial forecasts relating to Colonial prepared by Colonial management, referred to as the Colonial forecasts;
- reviewed certain internal financial and operating information with respect to the business, operations and prospects of MAA furnished to or discussed with BofA Merrill Lynch by MAA s management, including certain financial forecasts relating to MAA prepared by such management, referred to as the MAA forecasts;
- reviewed certain estimates as to the amount and timing of cost savings, referred to as the cost savings, anticipated by the managements of Colonial and MAA to result from the mergers;
- discussed with the management of Colonial and MAA the past and current business, operations, financial condition and prospects of Colonial and MAA;
- reviewed the potential pro forma financial impact of the transaction to be effected by the mergers on the future financial performance of MAA after taking into account potential cost savings, including the potential effect on MAA s estimated funds from operations and adjusted funds from operations;
- reviewed the trading histories for Colonial common shares and shares of MAA common stock and a comparison of such trading histories with each other and with the trading histories of other companies BofA Merrill Lynch deemed relevant;
- compared certain financial and stock market information of Colonial and MAA with similar information of other companies BofA Merrill Lynch deemed relevant;
- compared certain financial terms of the parent merger to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;

reviewed the relative financial contributions of Colonial and MAA to the future financial performance of the Combined Corporation on a pro forma basis;

reviewed a draft dated June 2, 2013 of the merger agreement; and

performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with BofA Merrill Lynch and relied upon assurances of the managements

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of Colonial and MAA that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the Colonial forecasts, the MAA forecasts and the cost savings, BofA Merrill Lynch was advised by the managements of Colonial and MAA, and BofA Merrill Lynch assumed, with Colonial s consent, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of such managements as to the future financial performance of Colonial and MAA and the other matters covered thereby, and further assumed, with Colonial s consent, that such cost savings would be realized in the amounts and at the times projected. BofA Merrill Lynch relied, at Colonial s direction, upon the assessments of the managements of Colonial and MAA as to the ability to integrate the businesses and operations of Colonial and MAA.

BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Colonial, MAA or any other entity, nor did BofA Merrill Lynch make any physical inspection of the properties or assets of Colonial, MAA or any other entity. BofA Merrill Lynch did not evaluate the solvency or fair value of Colonial, MAA or any other entity under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at Colonial s direction, that the mergers would be consummated in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the mergers, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Colonial, MAA or the mergers (including the contemplated benefits thereof) and that no such adverse effect would result in the event that the mergers were effected through an alternative structure as permitted under the terms of the merger agreement. BofA Merrill Lynch also assumed, at Colonial s direction, that the final executed merger agreement would not differ in any material respect from the draft merger agreement reviewed by BofA Merrill Lynch. BofA Merrill Lynch further assumed, at Colonial s direction, that the parent merger would qualify for U.S. federal income tax purposes as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended, and that the partnership merger would qualify as an asset-over form of merger under Treasury Regulations Section 1.708-1(c)(3)(i). BofA Merrill Lynch was advised by Colonial and MAA that each of Colonial and MAA had operated in conformity with the requirements for qualification as a REIT for U.S. federal income tax purposes since its formation as a REIT and further assumed, at Colonial s direction, that the mergers would not adversely affect such status or operations of Colonial or MAA.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects or implications of the mergers (other than the exchange ratio provided for in the parent merger to the extent expressly specified in its opinion), including, without limitation, the form or structure of the mergers, any terms, aspects or implications of the partnership merger (including any consideration payable in such partnership merger), any transfer of assets contemplated to be undertaken in connection with the mergers or any other arrangements, agreements or understandings entered into in connection with or related to the mergers or otherwise. BofA Merrill Lynch was not requested to, and it did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of Colonial or any alternative transaction; however, at Colonial s direction, BofA Merrill Lynch held preliminary discussions with selected third parties that had contacted, or had been contacted by, Colonial. BofA Merrill Lynch s opinion was limited to the fairness, from a financial point of view, of the exchange ratio provided for in the parent merger to the holders of Colonial common stock and no opinion or view was expressed with respect to any consideration received in connection with the mergers by the holders of any class of securities, creditors or other constituencies of any party. In addition, BofA Merrill Lynch expressed no opinion or view with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any officers, directors, trustees or employees of any party to the mergers, or class of such persons, relative to the exchange ratio or otherwise. BofA Merrill Lynch also expressed no view or opinion with respect to, and relied, with Colonial s consent, upon the assessments of Colonial s representatives regarding, legal, regulatory, accounting, tax and similar matters relating to Colonial, MAA and the mergers (including the contemplated benefits thereof) as to which BofA Merrill Lynch understood that Colonial obtained such advice as it deemed necessary from qualified professionals. BofA Merrill Lynch further did not express any opinion as to

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what the value of the shares of MAA common stock actually would be when issued or the prices at which Colonial common shares or MAA common stock would trade at any time, including following announcement or consummation of the mergers.

BofA Merrill Lynch s opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. The credit, financial and stock markets have been experiencing unusual volatility and BofA Merrill Lynch expressed no opinion or view as to any potential effects of such volatility on Colonial, MAA or the mergers. Although subsequent developments may affect BofA Merrill Lynch s opinion, BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch s opinion was approved by BofA Merrill Lynch s Americas Fairness Opinion Review Committee. Except as described in this summary, Colonial imposed no other instructions or limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

The following is a brief summary of the material financial analyses provided by BofA Merrill Lynch to the Colonial Board in connection with its opinion, dated June 2, 2013. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.** For purposes of the financial analyses summarized below, the term implied merger consideration value refers to $24.47 per share calculated as the implied value of the merger consideration based on the 0.360 fixed exchange ratio and MAA s closing stock price of $67.97 per share on May 31, 2013. Implied equity value reference ranges derived for Colonial from the analyses described below generally were rounded to the nearest $0.25. In calculating implied exchange ratio reference ranges as reflected in such analyses, BofA Merrill Lynch (i) compared the low-end of the approximate implied per share equity value reference ranges for Colonial to the high-end of the approximate implied per share equity value reference ranges for MAA in order to derive the low-end of the implied exchange ratio reference ranges and (ii) compared the high-end of the approximate implied per share equity reference ranges for Colonial to the low-end of the approximate implied per share equity reference ranges for MAA in order to derive the high-end of the implied exchange ratio reference ranges. Financial data for Colonial utilized in the financial analyses described below were pro forma for the sale of Colonial s Three Ravinia Class A office asset.

Selected Public Companies Analysis. BofA Merrill Lynch reviewed publicly available financial and stock market information of Colonial, MAA and the following six REITs, which, in its professional judgment, BofA Merrill Lynch generally considered relevant for purposes of its analysis as U.S. publicly traded multifamily REITs, referred to as the selected companies:

UDR, Inc.

Camden Property Trust

Apartment Investment and Management Company

Home Properties, Inc.

Post Properties, Inc.

Associated Estates Realty Corporation

BofA Merrill Lynch reviewed equity values, based on closing stock prices on May 31, 2013, as a multiple of calendar year 2013 estimated funds from operations, referred to as FFO per share. BofA Merrill Lynch also reviewed enterprise values, calculated as equity values based on closing stock prices on May 31, 2013 plus debt,

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preferred stock and minority interests, less cash and cash equivalents, as a multiple of calendar year 2013 estimated earnings before interest, taxes, depreciation and amortization, referred to as EBITDA. The observed low, median, mean and high calendar year 2013 estimated FFO per share multiples for the selected REITs excluding Colonial, but including MAA which was viewed as a selected REIT for Colonial, were 12.5x, 14.9x, 15.2x and 17.5x, respectively, and the observed low, median, mean and high calendar year 2013 estimated EBITDA multiples were 15.8x, 16.8x, 18.0x and 22.4x, respectively. The observed low, median, mean and high calendar year 2013 estimated FFO per share multiples for the selected REITs excluding MAA, but including Colonial which was viewed as a selected REIT for MAA, were 12.5x, 16.3x, 15.6x and 17.5x, respectively, and the observed low, median, mean and high calendar year 2013 estimated EBITDA multiples were 15.8x, 17.8x, 18.2x and 22.4x, respectively. BofA Merrill Lynch then applied selected ranges derived from the selected REITs of calendar year 2013 estimated FFO per share multiples and calendar year 2013 estimated EBITDA multiples of 15.5x to 17.5x and 17.0x to 18.0x, respectively, to corresponding data of Colonial and applied selected ranges of calendar year 2013 estimated FFO per share multiples and calendar year 2013 estimated EBITDA multiples of 13.5x to 15.5x and 16.0x to 17.0x, respectively, to corresponding data of MAA. Financial data of the selected REITs were based on publicly available research analysts estimates, public filings and other publicly available information. Financial data of Colonial and MAA were based on internal forecasts and estimates of the respective managements of Colonial and MAA. This analysis indicated approximate implied per share equity value reference ranges based on calendar year 2013 estimated FFO per share and calendar year 2013 estimated EBITDA for Colonial of $20.75 to $23.50 and $22.50 to $24.75, respectively, and for MAA of $65.75 to $75.50 and $66.25 to $72.75, respectively.

Based upon the approximate implied per share equity value reference ranges for Colonial and MAA described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the parent merger:

Implied Exchange Ratio Reference Ranges Based on:		**Exchange Ratio**
2013E FFO	2013E EBITDA	0.360x
0.275x 0.357x	0.309x 0.374x	

No company used in this analysis is identical or directly comparable to Colonial or MAA. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Colonial and MAA were compared.

Selected Precedent Transactions Analysis. BofA Merrill Lynch reviewed publicly available financial information relating to the following five selected transactions which, in its professional judgment, BofA Merrill Lynch generally considered relevant for purposes of its analysis as transactions involving target companies that were U.S. publicly traded multifamily REITs, referred to as the selected transactions:

Announcement Date	Acquiror	Target
5/28/2007	Tishman Speyer Real Estate Venture VII, L.P. / Lehman Brothers Holdings Inc.	Archstone-Smith Trust
2/17/2006	Magazine Acquisition GP LLC (Morgan Stanley Real Estate / Onex Real Estate)	The Town and Country Trust
6/7/2005	ING Clarion Partners, LLC	Gables Residential Trust
10/22/2004	Colonial	Cornerstone Realty Income Trust, Inc.
10/4/2004	Camden Property Trust	Summit Properties Inc.

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BofA Merrill Lynch reviewed transaction values, based on the consideration payable in the selected transactions, as a multiple of the target company s one-year forward FFO per share. The observed low, median, mean and high one-year forward FFO per share multiples for the selected transactions were 12.9x, 20.1x, 19.3x and 24.6x, respectively. BofA Merrill Lynch then applied a selected range of one-year forward FFO per share multiples derived from the selected transactions of 17.5x to 21.0x to Colonial s calendar year 2013 estimated FFO per share. Financial data of the selected transactions were based on publicly available research analysts reports and financial data of Colonial were based on internal forecasts and estimates of Colonial s management. This analysis indicated the following approximate implied per share equity value reference ranges for Colonial, as compared to the implied merger consideration value:

Implied Per Share Equity Value Reference Range for Colonial	Implied Merger Consideration Value
$23.50 $28.00	$ 24.47

No company, business or transaction used in this analysis is identical or directly comparable to Colonial or the parent merger. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which Colonial and the parent merger were compared.

Net Asset Value Analysis. BofA Merrill Lynch performed separate net asset value analyses of Colonial and MAA by calculating the estimated values by asset of Colonial s and MAA s respective operating real estate taking into account the estimated value of active developments, vacant land and other tangible assets less the estimated value of outstanding indebtedness and other tangible liabilities. The estimated fair market value of such operating real estate was calculated by applying to Colonial s and MAA s respective calendar year 2013 estimated net operating income from operating real estate selected capitalization rates ranging from 5.85% to 6.25% for Colonial s operating real estate and 5.95% to 6.35% for MAA s operating real estate based on a weighted average of capitalization rates that varied depending on, among other factors, property location, age, quality and rent profile. Financial data of Colonial and MAA were based on internal forecasts and estimates of the respective managements of Colonial and MAA. This analysis indicated approximate implied per share net asset value reference ranges for Colonial of $22.25 to $25.00 and for MAA of $63.00 to $69.75.

Based upon the approximate implied per share net asset value reference ranges for Colonial and MAA described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference range, as compared to the exchange ratio provided for in the parent merger:

Implied Exchange Ratio Reference Range	Exchange Ratio
0.319x 0.397x	0.360x

Discounted Cash Flow Analysis. BofA Merrill Lynch performed separate discounted cash flow analyses of Colonial and MAA by calculating the estimated present value of the standalone unlevered, after-tax free cash flows that Colonial and MAA were each forecasted to generate during the nine months ending December 31, 2013 through the full calendar year ending December 31, 2017 based on internal forecasts and estimates of the respective managements of Colonial and MAA. BofA Merrill Lynch calculated terminal values for Colonial and MAA by applying to the respective calendar year 2018 estimated EBITDA of Colonial and MAA a selected range of terminal value EBITDA multiples for Colonial of 16.0x to 17.0x and for MAA of 15.5x to 16.5x. The unlevered, after-tax free cash flows and terminal values were then discounted to present value (as of March 31, 2013) using discount rates ranging from 7.0% to 8.0% for Colonial and 6.5% to 7.5% for MAA derived from a weighted average cost of capital calculation. For purposes of this analysis, unlevered after-tax free cash flows generally were calculated as EBITDA (as defined by the respective company) less capital expenditures, tenant improvements and leasing commissions, straight-line and above or below market rent adjustments, taxes, and

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development and acquisition funding plus disposition proceeds. Stock-based compensation was treated as a non-cash expense for Colonial and as a cash expense for MAA consistent with the treatment of stock-based compensation by each of Colonial and MAA. This analysis indicated approximate implied per share equity value reference ranges for Colonial of $23.50 to $27.25 and for MAA of $64.50 to $76.00.

Based upon the approximate implied per share equity value reference ranges for Colonial and MAA described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference range, as compared to the exchange ratio provided for in the parent merger:

Implied Exchange Ratio	
Reference Range	Exchange Ratio
0.309x 0.422x	0.360x

Relative Contribution Analysis. BofA Merrill Lynch reviewed the relative financial contributions of Colonial and MAA to the pro forma Combined Corporation based on Colonial s and MAA s calendar years 2013 and 2014 estimated EBITDA, FFO and adjusted FFO, referred to as AFFO, utilizing internal forecasts and estimates of the respective managements of Colonial and MAA. BofA Merrill Lynch calculated overall aggregate equity ownership percentages of Colonial and MAA in the pro forma Combined Corporation based on these relative contributions and the respective debt, cash and non-controlling interests of Colonial and MAA, as applicable, which indicated an approximate implied overall contribution percentage reference range for Colonial of 35.5% to 40.9% as compared to the aggregate pro forma equity ownership percentage of Colonial s shareholders in the Combined Corporation, based on the exchange ratio, of 43.8% immediately upon consummation of the mergers. Based on Colonial s and MAA s relative contributions to the pro forma Combined Corporation of the financial metrics described above, BofA Merrill Lynch calculated the following implied exchange ratio reference range, as compared to the exchange ratio provided for in the parent merger:

Implied Exchange Ratio	
Reference Range	Exchange Ratio
0.255x 0.320x	0.360x

Other Factors. BofA Merrill Lynch observed certain additional factors that were not considered part of BofA Merrill Lynch s financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

- historical trading performance of Colonial common shares and shares of MAA common stock during the 52-week period ended May 31, 2013, which reflected low to high trading prices for Colonial common shares and the shares of MAA common stock during such period of approximately $19.75 to $25.00 and $60.50 to $75.00 per share, respectively;

- publicly available Wall Street research analysts stock price targets for Colonial and MAA, which indicated ranges of target stock prices for Colonial and MAA of $20.00 to $26.00 per share and $70.00 to $76.00 per share, respectively; and

- potential pro forma effects of the mergers on the Combined Corporation s calendar years 2014 and 2015 estimated FFO per share, FFO per share excluding merger accounting adjustments, and AFFO per share based on internal forecasts and estimates of the respective managements of Colonial and MAA and after taking into account potential cost savings anticipated by such managements to result from the mergers, which indicated that the mergers could be (i) in the case of FFO per share, dilutive in calendar year 2014 by approximately (1.9)% and accretive in calendar year 2015 by approximately 0.3%, (ii) in the case of FFO per share excluding merger accounting adjustments, dilutive in calendar years 2014 and 2015 by approximately (6.5)% and (3.3)%, respectively, and (iii) in the case of AFFO per share, dilutive in calendar years 2014 and 2015 by approximately (3.8)% and (0.2)%, respectively. The actual results achieved by the Combined Corporation may vary from forecasted results and the variations may be material.

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Miscellaneous

As noted above, the discussion set forth above is a summary of the material financial analyses provided by BofA Merrill Lynch to the Colonial Board in connection with its opinion and is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that the analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses or factors considered or focusing on information presented in tabular format, without considering all analyses or factors or the narrative description of such analyses or factors, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch s analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Colonial and MAA. The estimates of the future performance of Colonial and MAA in or underlying BofA Merrill Lynch s analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch s analyses. These analyses were prepared solely as part of BofA Merrill Lynch s analysis of the fairness, from a financial point of view, of the exchange ratio provided for in the parent merger and were provided to the Colonial Board in connection with the delivery of BofA Merrill Lynch s opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or acquired or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch s view of the actual value of Colonial or MAA.

The type and amount of consideration payable in the mergers was determined through negotiations between Colonial and MAA, rather than by any financial advisor, and was approved by the Colonial Board. The decision to enter into the merger agreement was solely that of the Colonial Board. As described above, BofA Merrill Lynch s opinion and analyses were only one of many factors considered by the Colonial Board and should not be viewed as determinative of the views of the Colonial Board, management or any other party with respect to the consideration payable in the parent merger or otherwise.

In connection with BofA Merrill Lynch s services as Colonial s financial advisor, Colonial has agreed to pay BofA Merrill Lynch an aggregate fee of $11.5 million, $1.0 million of which was payable upon delivery of its opinion and $10.5 million of which is contingent upon consummation of the mergers. Colonial also has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch s engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws, arising from BofA Merrill Lynch s engagement.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of business, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of Colonial, MAA and certain of their respective affiliates.

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BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Colonial and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as joint lead arranger and bookrunner for, and/or as a lender under, certain letters of credit, and credit and leasing facilities of Colonial, including Colonial s $500 million unsecured revolving credit facility due 2016, and (ii) having acted or acting as a joint sales agent in connection with certain at-the-market common equity offerings of Colonial. From January 1, 2011 through May 31, 2013, BofA Merrill Lynch and its affiliates derived aggregate revenues of approximately $3.1 million from Colonial for corporate, commercial and investment banking services unrelated to the mergers.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to MAA and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as a lender under certain leasing facilities of MAA, and (ii) having acted or acting as a joint sales agent in connection with certain at-the-market common equity offerings of MAA. From January 1, 2011 through May 31, 2013, BofA Merrill Lynch and its affiliates derived aggregate revenues of approximately $1.6 million from MAA for corporate, commercial and investment banking services unrelated to the mergers.

Certain MAA Unaudited Prospective Financial Information

MAA does not as a matter of course make public long-term projections as to future revenues, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, MAA is including certain unaudited prospective financial information that was made available to the MAA Board and the Colonial Board in connection with the evaluation of the mergers. This information also was provided to MAA s and Colonial s respective financial advisors. The inclusion of this information should not be regarded as an indication that any of MAA, Colonial, their respective affiliates, advisors or other representatives or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results.

The unaudited prospective financial information was, in general, prepared solely for internal use and is subjective in many respects. As a result, the prospective results may not be realized and the actual results may be significantly higher or lower than estimated. Since the unaudited prospective financial information covers multiple years, that information by its nature becomes less predictive with each successive year. You are encouraged to review the risks and uncertainties described under the headings Risk Factors Risk Factors Relating to the Mergers beginning on page 32 and Cautionary Statement Concerning Forward-Looking Statements beginning on page 44 and the risks described in the periodic reports filed by MAA with the SEC, which reports can be found as described under the heading Where You Can Find More Information beginning on page 205. The unaudited prospective financial information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. In addition, the unaudited prospective financial information requires significant estimates and assumptions that make it inherently less comparable to the similarly titled GAAP measures in MAA s historical GAAP financial statements. Neither MAA s independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on the information or its achievability. Neither MAA independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

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The report of MAA s independent registered public accounting firm of MAA contained in the Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference into this joint proxy statement/prospectus, relates to MAA s historical financial information. It does not extend to the unaudited prospective financial information and should not be read to do so. Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared.

The following table presents selected unaudited prospective financial data for the fiscal years ending 2013 through 2017 for MAA on a standalone basis.

	2013	2014	2015	2016	2017
	($ in millions, except per share values)				
Net Operating Income (NOI)	$ 324.5	$ 345.8	$ 374.8	$ 406.5	$ 438.3
Earnings Before Interest Taxes Depreciation and Amortization (EBITDA)	$ 292.6	$ 312.0	$ 339.3	$ 369.3	$ 399.2
Funds from Operations (FFO) per share	$ 4.87	$ 5.14	$ 5.48	$ 5.86	$ 6.19
Adjusted Funds from Operations (AFFO) per share	$ 4.22	$ 4.46	$ 4.78	$ 5.15	$ 5.45

For purposes of the unaudited prospective financial information presented herein, NOI is a non-GAAP financial performance measure that represents total property revenues less total property operating expenses, excluding depreciation and amortization, for all properties held during the period regardless of their status as held for sale. EBITDA is a non-GAAP financial performance measure composed of net income before net gain on asset sales and insurance and other settlement proceeds, and gain or loss on debt extinguishment, plus depreciation, interest expense, and amortization of delevered financing costs. FFO is a non-GAAP financial performance measure defined by the National Association of Real Estate Investment Trusts, referred to herein as NAREIT, and represents net income (computed in accordance with GAAP) excluding extraordinary items, net income attributable to noncontrolling interest, asset impairment, gains or losses on disposition of real estate assets, plus depreciation and amortization of real estate, and adjustments for joint ventures to reflect FFO on the same basis. AFFO is a non-GAAP financial performance measure that represents FFO less recurring capital expenditures, any amount charged to retire preferred stock in excess of carrying values and asset impairment.

Colonial and MAA calculate certain non-GAAP financial metrics including NOI, EBITDA, FFO and AFFO using different methodologies. Consequently, the financial metrics presented in each company s prospective financial information disclosures and in the sections of this joint proxy statement/prospectus with respect to the opinions of the financial advisors to MAA and Colonial may not be directly comparable to one another.

In preparing the foregoing unaudited projected financial information, MAA made a number of assumptions regarding, among other things, interest rates, corporate financing activities, annual dividend levels, occupancy and customer retention levels, changes in rent, the amount, timing and cost of existing and planned development properties, lease-up rates of existing and planned developments, the amount and timing of asset sales and asset acquisitions, including the return on those acquisitions, the amount of income taxes paid, and the amount of general and administrative costs.

Among the particular assumptions made available to the MAA Board, the Colonial Board and MAA s and Colonial s respective financial advisors, MAA assumed that for the fiscal years ending 2013 through 2017, MAA, on a standalone basis, would have total capital expenditures and recurring capital expenditures as set forth on the following table:

	2013	2014	2015	2016	2017
	($ in million)				
Total Capital Expenditures	$ 60.1	$ 62.9	$ 66.0	$ 69.3	$ 72.7
Recurring Capital Expenditures	$ 29.0	$ 30.4	$ 31.9	$ 33.5	$ 35.1

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The assumptions set forth in the preceding table are only representative of a small number of the assumptions and estimates made by MAA in preparing the foregoing unaudited prospective financial information. As described above, MAA made numerous other assumptions and estimates in preparing the unaudited prospective financial information provided above.

The assumptions made in preparing the above unaudited prospective financial information may not necessarily reflect actual future conditions. The estimates and assumptions underlying the unaudited prospective financial information involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions which may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under the headings Risk Factors Risk Factors Relating to the Mergers beginning on page 32 and Cautionary Statement Concerning Forward-Looking Statements beginning on page 44 and the risks described in the periodic reports filed by MAA with the SEC, which reports can be found as described under the heading Where You Can Find More Information beginning on page 205, all of which are difficult to predict and many of which are beyond the control of MAA and/or Colonial and will be beyond the control of the Combined Corporation. The underlying assumptions and projected results may not be realized, and actual results likely will differ, and may differ materially, from those reflected in the unaudited prospective financial information, whether or not the mergers are completed.

In addition, although presented with numerical specificity, the above unaudited prospective financial information reflects numerous assumptions and estimates as to future events made by MAA management that MAA management believes were reasonably prepared. The above unaudited prospective financial information does not give effect to the mergers. MAA shareholders and Colonial shareholders are urged to review the most recent SEC filings of MAA for a description of the reported and anticipated results of operations and financial condition and capital resources during 2012, including in Management s Discussion and Analysis of Financial Condition and Results of Operations in MAA s Annual Report on Form 10-K for the year ended December 31, 2012, and subsequent quarterly reports on Form 10-Q, which is incorporated by reference into this joint proxy statement/prospectus.

Readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the unaudited prospective financial information set forth above. No representation is made by MAA, Colonial or any other person to any MAA shareholder or any Colonial shareholder regarding the ultimate performance of MAA compared to the information included in the above unaudited prospective financial information. The inclusion of unaudited prospective financial information in this joint proxy statement/prospectus should not be regarded as an indication that the prospective financial information will be necessarily predictive of actual future events, and such information should not be relied on as such.

MAA DOES NOT INTEND TO UPDATE OR OTHERWISE REVISE THE ABOVE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE PROSPECTIVE FINANCIAL INFORMATION ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

Certain Colonial Unaudited Prospective Financial Information

Colonial does not as a matter of course make public projections as to future revenues, earnings or other results. However, the management of Colonial has prepared the unaudited prospective financial information set forth below in connection with an evaluation of the mergers. This information was made available to the Colonial Board and the MAA Board in connection with the evaluation of the mergers and also was provided to Colonial s and MAA s respective financial advisors.

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The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of Colonial s management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management s knowledge and belief, the expected course of action and the expected future financial performance of Colonial. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information. Neither Colonial s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information

The assumptions and estimates underlying the prospective financial information are inherently uncertain and, though considered reasonable by the management of Colonial as of the date of its preparation, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information, including, among others, risks and uncertainties. See Risk Factors Risk Factors Relating to the Mergers beginning on page 32 and Cautionary Statement Concerning Forward-Looking Statements beginning on page 44 and the risks described in the periodic reports filed by Colonial with the SEC, which reports can be found as described under the heading Where You Can Find More Information beginning on page 205.

Accordingly, there can be no assurance that the prospective results are indicative of the future performance of Colonial or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this joint proxy statement/prospectus should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved. Colonial does not generally publish its business plans and strategies or make external disclosures of its anticipated financial position or results of operations. Accordingly, Colonial does not intend to update or otherwise revise the prospective financial information to reflect circumstances existing since its preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. Furthermore, Colonial does not intend to update or revise the prospective financial information to reflect changes in general economic or industry conditions.

The following table presents selected unaudited prospective financial data for the fiscal years ending December 31, 2013 through 2017 for Colonial on a standalone basis.

	2013	2014	2015	2016	2017
	($ in millions, except per share values)				
Net Operating Income (NOI)	$ 217.0	$ 222.5	$ 243.2	$ 255.8	$ 264.7
Funds from Operations (FFO) per share	$ 1.34	$ 1.40	$ 1.57	$ 1.69	$ 1.79
Adjusted Funds from Operations (AFFO) per share	$ 1.08	$ 1.17	$ 1.34	$ 1.47	$ 1.57
EBITDA	$ 226.8	$ 229.4	$ 249.9	$ 261.9	$ 270.9
Capital Expenditures(1)	$ 24.2	$ 21.6	$ 21.3	$ 21.4	$ 21.8

(1) Including tenant improvements and leasing commissions.

The following table presents additional selected unaudited prospective financial data consisting of the sum of tenant improvements and leasing commissions, straight-line and above or below market rent adjustments, taxes, and development and acquisition funding plus disposition proceeds for Colonial as projected through 2017 (in millions):

2013FYE	2014FYE	2015FYE	2016FYE	2017FYE
$167.4	($ 150.4)	$ 20.5	($ 2.3)	($ 2.3)

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For purposes of the unaudited prospective financial information presented herein, NOI is a non-GAAP financial performance measure that represents total property revenues (including minimum rent and other property-related revenue) less total property operating expenses, (including such items as general and administrative expenses, on-site payroll, repairs and maintenance, real estate taxes, insurance and advertising), and includes revenues/expenses from unconsolidated partnerships and joint ventures. EBITDA is a non-GAAP financial performance measure composed of net income before net gain on asset sales and insurance and other settlement proceeds and gain or loss on debt extinguishment, plus depreciation, interest expense and amortization. FFO is a non-GAAP financial performance measure defined by NAREIT, and represents net income (loss) before noncontrolling interest (determined in accordance with GAAP), excluding sales of depreciated property and impairment write-downs of depreciable real estate, plus real estate depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. AFFO is a non-GAAP financial performance measure that represents FFO adjusted for capital expenditures, tenant improvements, leasing commissions, straight line rents and above or below market income.

Colonial and MAA calculate certain non-GAAP financial metrics including NOI, EBITDA, FFO and AFFO using different methodologies. Consequently, the financial metrics presented in each company s prospective financial information disclosures and in the sections of this joint proxy statement/prospectus with respect to the opinions of the financial advisors to Colonial and MAA may not be directly comparable to one another.

In preparing the foregoing unaudited projected financial information, Colonial made a number of assumptions regarding, among other things, interest rates, corporate financing activities, annual dividend levels, occupancy and customer retention levels, changes in rent, the amount, timing and cost of existing and planned development properties, lease-up rates of existing and planned developments, the amount and timing of asset sales and asset acquisitions, including the return on those acquisitions, the amount of income taxes paid, and the amount of general and administrative costs.

The assumptions made in preparing the above unaudited prospective financial information may not accurately reflect future conditions. The estimates and assumptions underlying the unaudited prospective financial information involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions which may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under the headings Risk Factors Risk Factors Relating to the Mergers beginning on page 32 and Cautionary Statement Concerning Forward-Looking Statements beginning on page 44 and the risks described in the periodic reports filed by Colonial with the SEC, which reports can be found as described under the heading Where You Can Find More Information beginning on page 205, all of which are difficult to predict and many of which are beyond the control of Colonial and/or MAA and will be beyond the control of the Combined Corporation. The underlying assumptions and projected results may not be realized, and actual results likely will differ, and may differ materially, from those reflected in the unaudited prospective financial information, whether or not the mergers are completed.

In addition, although presented with numerical specificity, the above unaudited prospective financial information reflects numerous assumptions and estimates as to future events made by Colonial management that Colonial management believes were reasonably prepared. The above unaudited prospective financial information does not give effect to the mergers. Colonial shareholders and MAA shareholders are urged to review the most recent SEC filings of Colonial for a description of the reported and anticipated results of operations and financial condition and capital resources during 2012, including in Management s Discussion and Analysis of Financial Condition and Results of Operations in Exhibit 99.1 to Colonial s Current Report on Form 8-K filed with the SEC on August 21, 2013, and quarterly reports on Form 10-Q, which are incorporated by reference into this joint proxy statement/prospectus.

Readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the unaudited prospective financial information set forth above. No representation is made by Colonial, MAA or any other person to any Colonial shareholder or any MAA shareholder regarding the ultimate performance of Colonial compared to the information included in the above unaudited prospective financial information. The inclusion of

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unaudited prospective financial information in this joint proxy statement/prospectus should not be regarded as an indication that the prospective financial information will be necessarily predictive of actual future events, and such information should not be relied on as such.

COLONIAL DOES NOT INTEND TO UPDATE OR OTHERWISE REVISE THE ABOVE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE PROSPECTIVE FINANCIAL INFORMATION ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

Interests of MAA s Directors and Executive Officers in the Mergers

In considering the recommendation of the MAA Board to approve the merger agreement, the parent merger and the other transactions contemplated by the merger agreement, MAA shareholders 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 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

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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.

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 Parent Merger above.

Interests of Colonial s Trustees and Executive Officers in the Mergers

In considering the recommendation of the Colonial Board to approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement, Colonial shareholders 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 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 parent merger pursuant to the plan of merger and the transactions contemplated by the merger agreement. These interests include the following:

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 proxy statement/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.

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

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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.

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 proxy statement/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

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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 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 executive officers and trustees on August 20, 2013 and assuming continued employment through the date of the closing of the parent merger:

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.

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Limited Partner Interests in Colonial LP

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 proxy statement/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 proxy statement/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 limited partnership agreement of MAA LP 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 Third Amended and Restated Agreement of Limited Partnership of MAA LP, 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 152.

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 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 MAA board of directors 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

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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 approving and adopting the merger agreement and the parent merger pursuant to the plan of merger and in making its recommendation that Colonial shareholders approve and adopt the merger agreement, the parent merger pursuant to the plan of merger and the other transactions contemplated by the merger agreement. See The Parent Merger Recommendation of the Colonial Board and Its Reasons for the Parent Merger.

Executive Compensation Payable in Connection with the Mergers

Colonial s named executive officers for purposes of the disclosure in this joint proxy statement/prospectus are Thomas H. Lowder, Paul F. Earle, John P. Rigrish and Bradley P. Sandidge.

Change in Control Compensation

The following table sets forth the information required by Item 402(t) of Regulation S-K promulgated by the SEC, 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 proxy statement/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. As required by applicable SEC rules, 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 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, as described under the section of this joint proxy statement/prospectus captioned Proposals Submitted to Colonial Shareholders Advisory Vote on Executive Compensation (Proposal 2 on the Colonial Proxy Card) beginning on page 65.

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

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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 (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

MAA and Colonial 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.

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Material U.S. Federal Income Tax Consequences of the Parent Merger

The discussion below, as it relates to the material U.S. federal income tax consequences of the parent merger, summarizes such consequences to U.S. holders (as defined below) of Colonial common shares that hold such common shares as a capital asset within the meaning of Section 1221 of the Code.

The discussion below, as it relates to the material U.S. federal income tax consequences of holding common stock in the Combined Corporation, summarizes such consequences to certain holders (as specified below) of Combined Corporation common stock that hold such common stock as a capital asset within the meaning of Section 1221 of the Code.

This discussion is based upon the Code, Treasury regulations promulgated under the Code, referred to herein as the Treasury Regulations, judicial decisions and published administrative rulings, all as currently in effect and all of which are subject to change, possibly with retroactive effect. This discussion does not address (i) U.S. federal taxes other than income taxes, (ii) state, local or non-U.S. taxes or (iii) tax reporting requirements, in each case, as applicable to the parent merger. In addition, this discussion does not address U.S. federal income tax considerations applicable to holders of Colonial common shares 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 common shares (or, following the effective time of the parent merger, Combined Corporation common stock) as part of a straddle, hedge, constructive sale, conversion transaction, or other integrated transaction for U.S. federal income tax purposes;
- regulated investment companies;
- real estate investment trusts;
- certain U.S. expatriates;

non-U.S. holders (as defined below);

U.S. holders whose functional currency is not the U.S. dollar; and

persons who acquired their Colonial common shares (or, following the effective time of the parent merger, Combined Corporation common stock) through the exercise of an employee stock option or otherwise as compensation.

For purposes of this discussion, a U.S. holder means a beneficial owner of Colonial common shares (or, following the effective time of the parent merger, of the Combined Corporation common stock) that 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.

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For purposes of this discussion, a non-U.S. holder means a beneficial owner of Colonial common shares other than a U.S. holder.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Colonial common shares (or, following the parent merger, Combined Corporation 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 other entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Colonial common shares (or, following the parent merger, the Combined Corporation common stock), and the partners in such partnership (as determined for U.S. federal income tax purposes), should consult their tax advisors.

This discussion of material U.S. federal income tax consequences of the parent merger is not binding on the IRS. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any described herein.

THE U.S. FEDERAL INCOME TAX RULES APPLICABLE TO THE PARENT MERGER AND TO REITS GENERALLY ARE HIGHLY TECHNICAL AND COMPLEX. HOLDERS OF COLONIAL COMMON SHARES ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE PARENT MERGER, THE OWNERSHIP OF COMMON STOCK OF THE COMBINED CORPORATION, AND THE COMBINED CORPORATION S QUALIFICATION AS A REIT, 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.

Tax Opinions from Counsel Regarding the Parent Merger

It is a condition to the completion of the parent merger that Hogan Lovells US LLP (or other counsel to Colonial reasonably acceptable to MAA) and Goodwin Procter LLP (or other counsel to MAA reasonably acceptable to Colonial) each renders a tax opinion to its client to the effect that the parent merger will constitute a reorganization within the meaning of Section 368(a) of the Code. Hogan Lovells US LLP and Goodwin Procter LLP counsel are providing opinions to Colonial and MAA, respectively, to similar effect in connection with the filing of this Registration Statement. Such opinions will be subject to customary exceptions, assumptions and qualifications, and will be based on representations made by Colonial and MAA regarding factual matters (including those contained in tax representation letters provided by Colonial and MAA), and covenants undertaken by Colonial and MAA. If any assumption or representation is inaccurate in any way, or any covenant is not complied with, the tax consequences of the parent merger could differ from those described in the tax opinions and in this discussion. These tax opinions represent the legal judgment of counsel rendering the opinion and are not binding on the IRS or the courts. No ruling from the IRS has been or will be requested in connection with the parent merger, and there can be no assurance that the IRS would not assert, or that a court would not sustain, a position contrary to the conclusions set forth in the tax opinions.

As noted and subject to the qualifications above, in the opinion of Hogan Lovells US LLP and Goodwin Procter LLP, the parent merger of Colonial with and into MAA will qualify as a reorganization within the meaning of Section 368(a) of the Code. Accordingly:

Colonial will not recognize any gain or loss as a result of the parent merger.

A U.S. holder will not recognize any gain or loss upon receipt of common stock of the Combined Corporation in exchange for its Colonial common shares in connection with the parent merger, except with respect to cash received in lieu of fractional shares of the Combined Corporation common stock, as discussed below.

A U.S. holder will have an aggregate tax basis in the Combined Corporation common stock received in the parent merger equal to the U.S. holder s aggregate tax basis in its Colonial common shares

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surrendered pursuant to the parent merger, reduced by the portion of the U.S. holder s tax basis in its Colonial common shares surrendered in the parent merger that is allocable to a fractional share of Combined Corporation common stock. If a U.S. holder acquired any of its shares of Colonial common shares at different prices or at different times, Treasury Regulations provide guidance on how such U.S. holder may allocate its tax basis to shares of the Combined Corporation common stock received in the parent merger. U.S. holders that hold multiple blocks of Colonial common shares should consult their tax advisors regarding the proper allocation of their basis among shares of Combined Corporation common stock received in the parent merger under these Treasury Regulations.

The holding period of the Combined Corporation common stock received by a U.S. holder in connection with the parent merger will include the holding period of the Colonial common shares surrendered in connection with the parent merger.

Cash received by a U.S. holder in lieu of a fractional share of Combined Corporation common stock in the parent merger will be treated as if such fractional share had been issued in connection with the parent merger and then redeemed by the Combined Corporation, and such U.S. holder generally will recognize capital gain or loss with respect to such cash payment, measured by the difference, if any, between the amount of cash received and the U.S. holder s tax basis in such fractional share. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder s holding period in respect of such fractional share is greater than one year. Non-corporate U.S. holders are generally subject to tax on long-term capital gains at reduced rates under current law. The deductibility of capital losses is subject to certain limitations.

U.S. Federal Income Tax Consequences of the Parent Merger to Colonial and Colonial Shareholders (or MAA or MAA Shareholders) if the Parent Merger Does Not Qualify as a Reorganization

If the parent merger fails to qualify as a reorganization, then a Colonial shareholder generally would recognize gain or loss, as applicable, equal to the difference between:

the sum of the fair market value of the Combined Corporation common stock and cash in lieu of fractional shares of Combined Corporation common stock received by the Colonial shareholder in the parent merger; and

the Colonial shareholder s adjusted tax basis in its Colonial common shares.

If the parent merger fails to qualify as a reorganization, so long as Colonial qualified as a REIT at the time of the parent merger, Colonial generally would not incur a U.S. federal income tax liability so long as Colonial has made distributions (which would be deemed to include for this purpose the fair market value of the Combined Corporation common stock issued pursuant to the parent merger) to Colonial shareholders in an amount at least equal to the net income or gain on the deemed sale of its assets to the Combined Corporation. In the event that such distributions were not sufficient to eliminate all of Colonial s tax liability as a result of the deemed sale of its assets to Colonial, the Combined Corporation would be liable for any remaining tax owed by Colonial as a result of the parent merger.

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.

If the parent merger fails to qualify as a reorganization and Colonial did not qualify as a REIT at the time of the parent merger, Colonial would generally recognize gain or loss on the deemed transfer of its assets to the Combined Corporation and the Combined Corporation, as its successor, could incur a very significant current tax liability and may be unable to qualify as a REIT.

If the parent merger fails to qualify as a reorganization as a result of MAA failing to qualify as a REIT at the time of the parent merger as a result of the investment company rules under Section 368 of the Code, it is

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possible that MAA might be treated, for certain purposes, as transferring its assets to Colonial in a taxable transaction in exchange for Combined Corporation common stock, followed by a deemed liquidation of MAA and a liquidating distribution of such Combined Corporation stock to MAA shareholders. In such a case, the Combined Corporation, as successor to MAA, may incur a very significant current tax liability and may be unable to qualify as a REIT.

Backup Withholding

Certain U.S. holders of Colonial common shares may be subject to backup withholding of U.S. federal income tax with respect to any cash received in lieu of fractional shares pursuant to the parent merger. Backup withholding generally will not apply, however, to a U.S. holder of Colonial common shares that furnishes a correct taxpayer identification number and certifies that it is not subject to backup withholding on IRS Form W-9 or is otherwise exempt from backup withholding and provides appropriate proof of the applicable exemption. Backup withholding is not an additional tax and any amounts withheld will be allowed as a refund or credit against the holder s U.S. federal income tax liability, if any, provided that the holder timely furnishes the required information to the IRS.

Tax Opinions from Counsel Regarding REIT Qualification of Colonial and MAA

It is a condition to the obligation of MAA to complete the parent merger that MAA receive an opinion from Hogan Lovells US LLP (or other counsel to Colonial reasonably acceptable to MAA) to the effect that, for all taxable years commencing with Colonial s taxable year ended December 31, 2004 through its taxable year which 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 (including an exception for the consequences of the partnership merger). The opinion of Hogan Lovells US LLP (or such other counsel) will be subject to customary exceptions, assumptions and qualifications, and be based on representations made by Colonial and MAA regarding factual matters (including those contained in tax representation letters provided by Colonial and MAA), and covenants undertaken by Colonial and MAA, relating to the organization and operation of Colonial and its subsidiaries and MAA (and the Combined Corporation) and their subsidiaries.

It is a condition to the obligation of Colonial to complete the parent merger that Colonial receive an opinion from Baker, Donelson, Bearman, Caldwell & Berkowitz, PC (or other counsel to MAA reasonably acceptable to Colonial) to the effect that, for all taxable years commencing with MAA s 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 its past, current, and intended future organization and operations will permit MAA (as the Combined Corporation) to continue to qualify for taxation as a REIT under the Code for its taxable year that includes the parent merger and thereafter. The opinion of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC (or such other counsel) will be subject to customary exceptions, assumptions and qualifications, and be based on representations made by Colonial and MAA regarding factual matters (including those contained in tax representation letters provided by Colonial and MAA), and covenants undertaken by Colonial and MAA, relating to the organization and operation of Colonial and its subsidiaries and MAA (and the Combined Corporation) and their subsidiaries.

Neither of the opinions described above will be binding on the IRS or the courts. The Combined Corporation intends to continue to operate in a manner to qualify as a REIT following the parent merger, but there is no guarantee that it will qualify or remain qualified as a REIT. Qualification and taxation as a REIT depend upon the ability of the Combined Corporation to meet, through actual annual (or, in some cases, quarterly) operating results, requirements relating to income, asset ownership, distribution levels and diversity of share ownership, and the various REIT qualification requirements imposed under the Code. Given the complex nature of the REIT qualification requirements, the ongoing importance of factual determinations and the possibility of future changes in the circumstances of the Combined Corporation, there can be no assurance that

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the actual operating results of the Combined Corporation will satisfy the requirements for taxation as a REIT under the Code for any particular tax year.

Tax Liabilities and Attributes Inherited from Colonial

If Colonial failed to qualify as a REIT for any of its taxable years for which the applicable period for assessment had not expired, Colonial would be liable for (and the Combined Corporation would be obligated to pay) U.S. federal income tax on its taxable income for such years at regular corporate rates, and, assuming the parent merger qualified as a reorganization within the meaning of Section 368(a) of the Code, the Combined Corporation would be subject to tax on the built-in gain on each Colonial asset existing at the time of the parent merger if the Combined Corporation were to dispose of the Colonial asset for up to ten years following the parent merger. Such tax would be imposed at the highest regular corporate rate in effect at the date of the sale. Moreover, even if Colonial qualified as a REIT at all relevant times, the Combined Corporation similarly would be liable for other unpaid taxes (if any) of Colonial (such as the 100% tax on gains from any sales treated as prohibited transactions as discussed below in the discussion of the Combined Corporation s status as a REIT). Moreover, and irrespective of whether Colonial qualified as a REIT, if Colonial were to incur tax liabilities as a result of the failure of the parent merger to qualify as a reorganization within the meaning of Section 368(a) of the Code, those tax liabilities would, as described above, be transferred to the Combined Corporation as a result of the parent merger.

Furthermore, after the parent merger and the partnership mergers the asset and gross income tests applicable to REITs will apply to all of the assets of the Combined Corporation, including the assets the Combined Corporation acquires from Colonial, and to all of the gross income of the Combined Corporation, including the income derived from the assets the Combined Corporation acquires from Colonial. As a result, the nature of the assets that the Combined Corporation acquires from Colonial and the gross income the Combined Corporation derives will be taken into account in determining the qualification of the Combined Corporation as a REIT. See U.S. Federal Income Tax Consequences of the Parent Merger to Colonial and Colonial Shareholders (or MAA or MAA Shareholders) if the Parent Merger Does Not Qualify as a Reorganization above.

Qualification as a REIT requires Colonial to satisfy numerous requirements, some on an annual and others on a quarterly basis, as described below with respect to Colonial. There are only limited judicial and administrative interpretations of these requirements, and qualification as a REIT involves the determination of various factual matters and circumstances which were not entirely within the control of Colonial.

Tax Liabilities and Attributes of MAA

If MAA failed to qualify as a REIT for any of its taxable years for which the applicable period for assessment had not expired, MAA would be liable for (and the Combined Corporation would be obligated to pay) U.S. federal income tax on its taxable income at regular corporate rates. Furthermore, MAA (and the Combined Corporation) would not be able to re-elect REIT status until the fifth taxable year after the first taxable year in which such failure occurred. See U.S. Federal Income Tax Consequences of the Parent Merger to Colonial and Colonial Shareholders (or MAA or MAA Shareholders) if the Parent Merger Does Not Qualify as a Reorganization above.

Material U.S. Federal Income Tax Considerations Applicable to Holders of the Combined Corporation Common Stock

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 the Combined Corporation. 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

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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 and the Combined Corporation to qualify for taxation as a REIT under the Code commencing with the taxable year ended 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 the Combined Corporation 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 the Combined Corporation will continue to be organized and operate, in a manner so as to qualify or remain qualified as a REIT.

Provided the Combined Corporation qualifies for taxation as a REIT, the Combined Corporation generally will be allowed to deduct dividends paid to its shareholders, and, as a result, the Combined Corporation 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. The Combined Corporation 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 Annual Distribution Requirements below.

Notwithstanding the foregoing, even if the Combined Corporation qualifies for taxation as a REIT, it nonetheless may be subject to U.S. federal income tax in certain circumstances, including the following:

- The Combined Corporation will be required to pay U.S. federal income tax on its undistributed REIT taxable income, including net capital gain;
- The Combined Corporation may be subject to the alternative minimum tax ;
- The Combined Corporation 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);
- The Combined Corporation 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 the Combined Corporation for at least two years and certain other requirements are satisfied;
- If the Combined Corporation 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, the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation 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

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Qualification as a REIT Asset Tests, respectively, and the Combined Corporation qualifies for a reasonable cause exception, then the Combined Corporation will have to pay a penalty equal to $50,000 for each such failure;

The Combined Corporation will be subject to a 4% nondeductible excise tax if certain distribution requirements are not satisfied;

The Combined Corporation may be required to pay monetary penalties to the IRS in certain circumstances, including if the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation 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 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 the Combined Corporation 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 the Combined Corporation 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;

The Combined Corporation 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 the Combined Corporation that are in excess of the amounts that would have been deducted based on arm s-length negotiations; and

Income earned by the Combined Corporation 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, the Combined Corporation 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. The Combined Corporation 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

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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 the Combined Corporation s second REIT taxable year, (i) the beneficial ownership of the Combined Corporation 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 the Combined Corporation 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.

The Combined Corporation 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, the Combined Corporation 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, the Combined Corporation 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 the Combined Corporation 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.

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Income Tests. In order to maintain qualification as a REIT, the Combined Corporation 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 the Combined Corporation 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.

Rents the Combined Corporation 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 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, the Combined Corporation 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 the Combined Corporation 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.

The Combined Corporation 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. The Combined Corporation also does

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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 the Combined Corporation 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, the Combined Corporation 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, the Combined Corporation 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 the Combined Corporation may not exceed 5% of the value of its total assets and (ii) the Combined Corporation 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 the Combined Corporation 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 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 the Combined Corporation 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.

The Combined Corporation 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 the Combined Corporation fails to satisfy the asset tests at the end of a calendar quarter, other than the first calendar quarter, the Combined Corporation will not lose its REIT status if one of the following exceptions applies:

- the Combined Corporation 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

- the Combined Corporation eliminates any discrepancy within 30 days after the close of the calendar quarter in which it arose.

Moreover, if the Combined Corporation 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 the Combined Corporation s assets at the end of the quarter in which the failure occurred and $10 million), and the Combined Corporation 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 the Combined Corporation s identification of the failure occurred; or

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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) the Combined Corporation files a schedule in accordance with Treasury Regulations providing a description of each asset that caused the failure, (iv) the Combined Corporation 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) the Combined Corporation 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. The Combined Corporation 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 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 the Combined Corporation 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 the Combined Corporation s ability to acquire mezzanine loans that it might otherwise desire to acquire.

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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 the Combined Corporation 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 the Combined Corporation 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. The Combined Corporation 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, 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 the Combined Corporation 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 the Combined Corporation 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, the Combined Corporation 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 the Combined Corporation from certain types of temporary share and debt investments made with the proceeds of sales of the Combined Corporation 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

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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, the Combined Corporation 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. The Combined Corporation generally must pay such distributions in the taxable year to which they relate, or in the following taxable year if declared before the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation 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.

Under certain circumstances, the Combined Corporation 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, the Combined Corporation may be able to avoid being taxed on amounts distributed as deficiency dividends; however, the Combined Corporation will be required to pay interest based upon the amount of any deduction taken for deficiency dividends.

In addition, dividends the Combined Corporation pays must not be preferential. If a dividend is preferential, it will not qualify for the dividends paid deduction. To avoid paying preferential dividends, the Combined Corporation 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 the Combined Corporation must not treat any class of shares other than according to its dividend rights as a class. Under certain technical rules governing deficiency dividends, the Combined Corporation could lose its ability to cure an under-distribution in a year with a subsequent year deficiency dividend if it pays preferential dividends. Accordingly, the Combined Corporation intends to pay dividends pro rata within each class, and to abide by the rights and preferences of each class.

The Combined Corporation may retain and pay income tax on net long-term capital gains received during the tax year. To the extent the Combined Corporation so elects, (i) each shareholder must include in its income (as long-term capital gain) its proportionate share of the Combined Corporation 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 the Combined Corporation on the undistributed long-term capital gains, and (iii) each shareholder s basis in its shares of the Combined Corporation 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, the Combined Corporation 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 the Combined

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Corporation accumulates any non-REIT earnings and profits, the Combined Corporation 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 the Combined Corporation 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, the Combined Corporation generally will be eligible for a relief provision if the failure is due to reasonable cause and not willful neglect and the Combined Corporation pays a penalty of $50,000 with respect to such failure.

If the Combined Corporation fails to qualify for taxation as a REIT in any taxable year and no relief provisions apply, the Combined Corporation generally will be subject to tax (including any applicable alternative minimum tax) on its taxable income at regular corporate rates. Distributions to the Combined Corporation s shareholders in any year in which the Combined Corporation fails to qualify as a REIT will not be deductible by the Combined Corporation nor will they be required to be made. In such event, to the extent of the Combined Corporation 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 the Combined Corporation 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, the Combined Corporation 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.

The Combined Corporation 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 the Combined Corporation 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.

Prohibited Transactions Tax

Any gain realized by the Combined Corporation 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.

The Combined Corporation 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, the Combined Corporation must request on an annual basis information from its shareholders designed to disclose the actual ownership of its outstanding shares.

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Investments in TRSs

The Combined Corporation 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 the Combined Corporation s TRSs are required to pay U.S. federal, state, local, or foreign taxes, the cash available for distribution by the Combined Corporation will be reduced accordingly.

A TRS is permitted to engage in certain kinds of activities that cannot be performed directly by the Combined Corporation without jeopardizing the Combined Corporation s qualification as a REIT. Certain payments made by any of the Combined Corporation s TRSs to the Combined Corporation 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 the Combined Corporation s TRS to the Combined Corporation may be subject to 100% tax. In addition, subject to certain safe harbors, the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation from a subsidiary qualifying as a REIT and gains from sales of such subsidiary s 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, the Combined Corporation would be treated as holding stock of a non-REIT, non-TRS corporate subsidiary, which could jeopardize the Combined Corporation s status as a REIT.

Tax Aspects of MAA LP

In General. The Combined Corporation 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, the Combined Corporation 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

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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. The Combined Corporation 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, the Combined Corporation 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.

The Combined Corporation 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 the Combined Corporation 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 the Combined Corporation from qualifying as a REIT. See Failure to Qualify for a discussion of the effect of the Combined Corporation 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.

Although a domestic unincorporated entity is generally treated as a partnership (if it has more than one owner) or a disregarded entity (if it has a single owner) for U.S. federal income tax purposes, in certain situations such an entity may be treated as a corporation for U.S. federal income tax purposes, including if the entity is a publicly traded partnership that does not qualify for an exemption based on the character of its income. A partnership is a publicly traded partnership under Section 7704 of the Code if:

(1) interests in the partnership are traded on an established securities market; or

(2) interests in the partnership are readily tradable on a secondary market or the substantial equivalent of a secondary market.

MAA LP currently takes the reporting position for U.S. federal income tax purposes that it is not a publicly traded partnership, and the Combined Corporation 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. 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, which are based on the specific facts and circumstances relating to the partnership. 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 consists of qualifying income under Section 7704 of the Code. Qualifying income is generally 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

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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.

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 the Combined Corporation owns an interest are intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations promulgated thereunder.

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. 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, the carryover basis of contributed assets in the hands of MAA LP and the absence of a basis step up in the partnership merger, certain partners of MAA LP (including the Combined Corporation) 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 the Combined Corporation 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 the Combined Corporation Common Stock

Distributions. Distributions by the Combined Corporation, 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

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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. The Combined Corporation 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 the Combined Corporation receives from C corporations, including its TRSs, (ii) the Combined Corporation 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 the Combined Corporation properly designates the distributions as qualified dividend income. The Combined Corporation does not anticipate distributing a significant amount of qualified dividend income.

To the extent that the Combined Corporation 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.

Dividends declared by the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation to distribute its long-term capital gain, and the Combined Corporation may elect to retain and pay income tax on its net long-term capital gains received during the taxable year. If the Combined Corporation 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 the Combined Corporation may designate. A U.S. holder would be deemed to have paid its share of the tax paid by the Combined Corporation 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 the Combined Corporation) included in the U.S. holder s long-term capital gains.

Passive Activity Loss and Investment Interest Limitations. The Combined Corporation 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, the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation 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 the Combined Corporation common stock by a U.S. holder will be a long-term capital gain or loss if the

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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 the Combined Corporation, 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 the Combined Corporation 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 the Combined Corporation. 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 the Combined Corporation common stock.

Taxation of U.S. Tax-Exempt Holders

In general, a tax-exempt organization is exempt from U.S. federal income tax on its income, except to the extent of its unrelated business taxable income or UBTI, which is defined by the Code as the gross income derived from any trade or business which is regularly carried on by a tax-exempt entity and unrelated to its exempt purposes, less any directly connected deductions and subject to certain modifications. For this purpose, the Code generally excludes from UBTI any gain or loss from the sale or other disposition of property (other than stock in trade or property held primarily for sale in the ordinary course of a trade or business), dividends, interest, rents from real property, and certain other items. However, a portion of any such gains, dividends, interest, rents, and other items generally is UBTI to the extent derived from debt-financed property, based on the amount of acquisition indebtedness with respect to such debt-financed property. Distributions that the Combined Corporation makes to a tax-exempt employee pension trust or other domestic tax-exempt holder or gains from the disposition of the Combined Corporation s shares held as capital assets generally will not constitute UBTI unless the exempt organization s shares are debt-financed property (e.g., the holder has borrowed to acquire or carry its shares). However, if the Combined Corporation is a pension-held REIT, this general rule will not apply to distributions to certain pension trusts that hold more than 10% (by value) of the Combined Corporation s shares. The Combined Corporation will be treated as a pension-held REIT if (i) treating qualified trusts as individuals would cause the Combined Corporation to fail the 5/50 Test (as defined above) and (ii) the Combined Corporation is predominantly held by certain pension trusts. The Combined Corporation will be predominantly held if either (i) a single such pension trust holds more than 25% by value of the Combined Corporation s shares or (ii) one or more such pension trusts, each owning more than 10% by value of the Combined Corporation s shares, hold in the aggregate more than 50% by value of the Combined Corporation s shares. In the event the Combined Corporation is a pension-held REIT, the percentage of any dividend received from it treated as UBTI would be equal to the ratio of (a) the gross UBTI (less certain associated expenses) earned by it (treating it as if it were a qualified trust and, therefore, subject to tax on UBTI) to (b) its total gross income (less certain associated expenses). A de minimis exception applies where the ratio set forth in the preceding sentence is less than 5% for any year; in that case, no dividends are treated as UBTI. There can be no assurance that the Combined Corporation will not be treated as a pension-held REIT. Before making an investment in shares of the Combined Corporation common stock, a tax-exempt holder should consult its tax advisors with regard to UBTI and the suitability of the investment in shares of the Combined Corporation s common stock.

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Social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans that are exempt from taxation under paragraphs (7), (9), (17), and (20), respectively, of Section 501(c) of the Code are subject to different UBTI rules, which generally will require them to characterize distributions from the Combined Corporation as UBTI. Before making an investment in shares of the Combined Corporation common stock, a tax-exempt holder should consult its tax advisors with regard to UBTI and the suitability of the investment in the Combined Corporation s shares.

Taxation of Non-U.S. Holders.

The following is a summary of certain U.S. federal income tax consequences of the ownership and disposition of common stock of the Combined Corporation applicable to non-U.S. holders. The discussion addresses only selective and not all aspects of U.S. federal income taxation that may be material for non-U.S. holders and is for general information only.

Ordinary Dividends. The portion of dividends received by non-U.S. holders payable out of the Combined Corporation s earnings and profits that are not attributable to gains from sales or exchanges of U.S. real property interests and which are not effectively connected with a U.S. trade or business of the non-U.S. holder generally will be treated as ordinary income and will be subject to withholding tax at the rate of 30%, unless reduced or eliminated by an applicable income tax treaty. Under some treaties, lower withholding rates do not apply to dividends from REITs.

In cases where the dividend income from a non-U.S. holder s investment in the Combined Corporation common stock is, or is treated as, effectively connected with the non-U.S. holder s conduct of a U.S. trade or business, the non-U.S. holder generally will be subject to U.S. federal income tax at graduated rates, in the same manner as U.S. holders are taxed with respect to such dividends, and may also be subject to the 30% branch profits tax (or a lower rate of tax under the applicable income tax treaty) on the income after the application of the income tax in the case of a non-U.S. holder that is a corporation. The Combined Corporation plans to withhold U.S. income tax at the rate of 30% on the gross amount of any distribution paid to a non-U.S. holder (including any portion of any dividend that is payable in stock) that is neither a capital gain dividend nor a distribution that is attributable to gain from the sale or exchange of United States real property interests under the Foreign Investment in Real Property Tax Act of 1980, or FIRPTA, rules described below under Dispositions of Common Stock unless either (i) a lower treaty rate applies and the non-U.S. holder files with the Combined Corporation any required IRS Form W-8 (for example, an IRS Form W-8BEN) evidencing eligibility for that reduced rate or (ii) the non-U.S. holder files with the Combined Corporation an IRS Form W-8ECI claiming that the distribution is effectively connected income. The balance of this discussion assumes that dividends that the Combined Corporation distributes to non-U.S. holders and gains non-U.S. holders recognize with respect to Combined Corporation shares are not effectively connected with the non-U.S. holder s conduct of a U.S. trade or business unless deemed to be effectively connected under FIRPTA as described below under Dispositions of Common Stock.

Non-Dividend Distributions. Distributions by the Combined Corporation to non-U.S. holders that are not attributable to gains from sales or exchanges of U.S. real property interests and that exceed the Combined Corporation s earnings and profits will be a non-taxable return of the non-U.S. holder s basis in its shares and, to the extent in excess of the non-U.S. holder s basis, gain from the disposition of such shares, the tax treatment of which is described below. If it cannot be determined at the time at which a distribution is made whether or not the distribution will exceed the Combined Corporation s earnings and profits, the distribution may be subject to withholding at the rate applicable to dividends. A non-U.S. holder, however, may seek a refund from the IRS of any amounts withheld that exceed the non-U.S. holder s actual U.S. federal income tax liability. If the Combined Corporation s stock constitutes a U.S. real property interest, distributions in excess of the sum of the Combined Corporation s earnings and profits plus the non-U.S. holder s adjusted tax basis in the stock will be taxed under FIRPTA at the rate of tax, including any applicable capital gain rates, that would apply to a U.S. holder of the same type (e.g., an individual or a corporation, as the case may be), and the collection of the tax will be enforced by a withholding at a rate of 10% of the amount by which the distribution exceeds the non-U.S. holder s share of

the Combined Corporation s earnings and profits. The amount withheld generally would be creditable against the non-U.S. holder s U.S. federal income tax liability.

Capital Gain Dividends. Under FIRPTA, subject to the discussion below for 5% or smaller holders of regularly traded classes of stock, a distribution made by the Combined Corporation to a non-U.S. holder attributable to gains from dispositions of U.S. real property interests held by the Combined Corporation (directly or through pass-through subsidiaries) must be reported in U.S. federal income tax returns filed by, and are treated as effectively connected with a U.S. trade or business of, the non-U.S. holder. The term U.S. real property interests includes interests in U.S. real property and shares in U.S. corporations at least 50% of whose real estate and business assets consist of U.S. real property interests. Such gains are subject to federal income tax at the rates applicable to U.S. holders and, in the case of a non-U.S. holder that is a corporation, a 30% branch profits tax (or a lower rate of tax under the applicable income tax treaty). The Combined Corporation is required to withhold tax at a 35% rate from distributions that are attributable to gains from the sale or exchange of U.S. real property interests. The amount withheld generally would be creditable against the non-U.S. holder s U.S. federal income tax liability.

Notwithstanding the foregoing discussion, capital gain dividends distributed to a non-U.S. holder who did not at any time during the one year period ending on the date of the distribution own more than 5% of a class of shares that is regularly traded on an established securities market located in the U.S. will not be subject to FIRPTA, but will be treated as ordinary dividends subject to the rules discussed above under Ordinary Dividends.

Capital gain dividends that are not attributable to sales or exchanges of U.S. real property interests, generally are not subject to U.S. federal income tax unless (i) such distribution is effectively connected with a U.S. trade or business of the non-U.S. holder and, if certain treaties apply, is attributable to a U.S. permanent establishment of the non-U.S. holder, in which case the non-U.S. holder will be subject to net-basis U.S. federal income tax on the dividend as if the non-U.S. holder were a U.S. holder and, in the case of a non-U.S. holder that is a corporation, a 30% branch profits tax (or a lower rate of tax under the applicable income tax treaty), or (ii) such non-U.S. holder was present in the U.S. for 183 days or more during the taxable year and has a tax home in the U.S., in which case a 30% withholding tax would apply to the dividend.

However, notwithstanding that such dividends should only be subject to U.S. federal income taxation in those two instances, existing Treasury Regulations might be construed to require the Combined Corporation to withhold on such dividends in the same manner as capital gain dividends that are attributable to gain from the disposition of U.S. real property interests, generally at the rate of 35% of the dividend (although any amounts withheld generally would be creditable against the non-U.S. holder s U.S. federal income tax liability).

Dispositions of Common Stock. Unless FIRPTA applies, or as otherwise set forth below, a sale or exchange of Combined Corporation shares by a non-U.S. holder generally will not be subject to U.S. federal income taxation. FIRPTA applies only if shares of the Combined Corporation common stock constitute a U.S. real property interest.

The Combined Corporation common stock will not constitute a U.S. real property interest if the Combined Corporation is a domestically controlled qualified investment entity. A domestically controlled qualified investment entity includes a REIT in which, at all times during a specified testing period, less than 50% in value of its outstanding shares are held directly or indirectly by non-U.S. holders. Because the Combined Corporation common stock will be publicly traded, no assurance can be given that the Combined Corporation will be, or that if it is it will remain, a domestically controlled qualified investment entity.

In the event that the Combined Corporation does not constitute a domestically controlled qualified investment entity, a non-U.S. holder s sale of the Combined Corporation common stock nonetheless will generally not be subject to tax under FIRPTA as a sale of a U.S. real property interest, provided that (1) shares of the Combined Corporation common stock are regularly traded, as defined by applicable Treasury Regulations, on an established securities market and (2) the selling non-U.S. holder owned, actually or constructively, 5% or

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less of the Combined Corporation s outstanding common stock during the five-year period ending on the date of the sale or exchange (or, if shorter, the period during which the non-U.S. holder held the stock).

In addition, even if the Combined Corporation is a domestically controlled qualified investment entity, upon disposition of shares of the Combined Corporation, a non-U.S. holder may be treated as having gain from the sale or exchange of a U.S. real property interest if the non-U.S. holder (1) disposes of an interest in the Combined Corporation s shares during the 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from sale or exchange of a U.S. real property interest and (2) acquires, enters into a contract or option to acquire, or is deemed to acquire, other shares of the Combined Corporation common stock within 30 days after such ex-dividend date. The foregoing rules do not apply to a transaction if the 5% regularly traded test described above is satisfied with respect to the non-U.S. holder.

If gain on the sale of shares of the Combined Corporation common stock were subject to taxation under FIRPTA, the non-U.S. holder would be subject to the same treatment as a U.S. holder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals, and the purchaser of the shares could be required to withhold 10% of the purchase price and remit such amount to the IRS.

Gain from the sale of shares of the Combined Corporation common stock that would not otherwise be subject to FIRPTA will nonetheless be taxable in the U.S. to a non-U.S. holder if (i) such gain is effectively connected to a U.S. trade or business of the non-U.S. holder and, if certain treaties apply, is attributable to a U.S. permanent establishment of the non-U.S. holder, in which case the gain will be subject to net-basis U.S. federal income tax as if the non-U.S. holder were a U.S. holder and, in the case of a non-U.S. holder that is a corporation, a 30% branch profits tax (or a lower rate of tax under the applicable income tax treaty), or (ii) the non-U.S. holder is a nonresident alien individual who was present in the U.S. for 183 days or more during the taxable year and has a tax home in the U.S., in which case the nonresident alien individual will be subject to a 30% tax on the individual s capital gain.

Information Reporting Requirements and Backup Withholding Tax

The Combined Corporation will report to its U.S. holders and to the IRS the amount of distributions paid during each calendar year, and the amount of tax withheld, if any. Under the backup withholding rules, a U.S. holder may be subject to backup withholding at a rate of 28% with respect to distributions paid, unless such U.S. holder (i) is a corporation or other exempt entity and, when required, proves its status or (ii) certifies under penalties of perjury that the taxpayer identification number the U.S. holder has furnished is correct and the U.S. holder is not subject to backup withholding and otherwise complies with the applicable requirements of the backup withholding rules. A U.S. holder that does not provide its correct taxpayer identification number also may be subject to penalties imposed by the IRS.

The Combined Corporation will also report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty. A non-U.S. holder may be subject to back-up withholding unless applicable certification requirements are met.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such holder s U.S. federal income tax liability, provided the required information is furnished to the IRS.

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Other Withholding and Reporting Requirements under FATCA

The Foreign Account Tax Compliance Act provisions of the Code, enacted in 2010, which we refer to as FATCA, impose withholding taxes on certain types of payments to (i) foreign financial institutions that do not agree to comply with certain diligence, reporting and withholding obligations with respect to their U.S. accounts and (ii) non-financial foreign entities that do not identify (or confirm the absence of) substantial U.S. owners. The withholding tax of 30% would apply to dividends and the gross proceeds of a disposition of Combined Corporation stock paid to certain foreign entities unless various information reporting requirements are satisfied. Because the Combined Corporation may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules the Combined Corporation may treat the entire distribution as a dividend. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these withholding provisions may be subject to different rules.

For these purposes, a foreign financial institution generally is defined as any non-U.S. entity that (i) accepts deposits in the ordinary course of a banking or similar business, (ii) is engaged in the business of holding financial assets for the account of others, or (iii) is engaged or holds itself out as being engaged primarily in the business of investing, reinvesting, or trading in securities, partnership interests, commodities, or any interest in such assets. Withholding under this legislation (as modified pursuant to subsequent guidance) on withholdable payments to foreign financial institutions and non-financial foreign entities would apply after December 31, 2016 with respect to gross proceeds of a disposition of property that can produce U.S. source interest or dividends and would apply after June 30, 2014 with respect to other withholdable payments.

Legislative or Other Actions Affecting REITs

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. No assurance can be given as to whether, when, or in what form, the U.S. federal income tax laws applicable to the Combined Corporation and its shareholders may be enacted. Changes to the U.S. federal tax laws and interpretations of federal tax laws could adversely affect an investment in the Combined Corporation common stock.

State, Local and Foreign Tax

The Combined Corporation may be subject to state, local and foreign tax in states, localities and foreign countries in which it does business or owns property. The tax treatment applicable to the Combined Corporation and its shareholders in such jurisdictions may differ from the U.S. federal income tax treatment described above.

Accounting Treatment

MAA prepares its financial statements in accordance with GAAP. The parent 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 shareholders 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 is the entity issuing the equity securities, that continuing MAA equity holders will own approximately 56% of the issued and outstanding common shares of the Combined Corporation,

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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, 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 is considered the acquirer for accounting purposes. Therefore, MAA will recognize and measure, at fair value, the identifiable assets acquired, liabilities assumed and any noncontrolling interests in the consolidated subsidiaries of Colonial, and MAA will recognize and measure goodwill and any gain from a bargain purchase, in each case, upon completion of the parent merger.

Exchange of Shares in the Parent Merger

MAA has appointed American Stock Transfer & Trust Company, or the exchange agent, to act as the exchange agent for the exchange of Colonial common shares for shares of MAA common stock. As promptly as practicable after the effective time of the parent merger, the exchange agent will send to each holder of record of Colonial common shares at the effective time of the parent merger who holds Colonial common shares in certificated or book-entry form a letter of transmittal and instructions for effecting the exchange of Colonial common share certificates or book-entry shares for the merger consideration the holder is entitled to receive under the merger agreement. Upon surrender of share certificates or book-entry shares for cancellation along with the executed letter of transmittal and other documents described in the instructions, a Colonial shareholder will receive any whole shares of MAA common stock such holder is entitled to receive and cash in lieu of any fractional shares of MAA common stock such holder is entitled to receive. After the effective time of the parent merger, Colonial will not register any transfers of Colonial common shares.

MAA shareholders need not take any action with respect to their stock certificates or book-entry shares.

Dividends

Each company plans to continue its current dividend policy until the closing of the mergers, except that MAA and Colonial will coordinate so that their respective quarterly dividends declared following the execution of the merger agreement will have the same payment dates and record dates. MAA currently pays a quarterly dividend equating to $0.695 per share and Colonial currently pays a quarterly dividend equating to $0.21 per share. Following the closing of the mergers, MAA expects to continue its current dividend policy for shareholders of the Combined Corporation, subject to the discretion of the Combined Corporation s board of directors, which reserves the right to change the Combined Corporation s dividend policy at any time and for any reason. See Risk Factors Risks Related to an Investment in the Combined Corporation s Common Stock The Combined Corporation cannot assure you that it will be able to continue paying dividends at or above the rate currently paid by MAA and Colonial on page 38.

Listing of MAA Common Stock

It is a condition to the completion of the mergers that the shares of MAA common stock issuable in connection with the parent merger be approved for listing on the NYSE, subject to official notice of issuance.

Delisting and Deregistration of Colonial Common Shares

After the parent merger is completed, the Colonial common shares currently listed on the NYSE will cease to be listed on the NYSE and will be deregistered under the Exchange Act.

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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). 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, see Dissenters Rights beginning on page 177), 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

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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 proxy statement/prospectus summarizes the material provisions of the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus and is incorporated herein by reference. As a shareholder, 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 and Colonial 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 or Colonial. 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 proxy statement/prospectus. See Where You Can Find More Information beginning on page 205.

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 proxy statement/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 proxy statement/prospectus as Annex I 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 MAA Board 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.

Dissenters Rights

Holders of Colonial common shares are entitled to dissent and demand payment for their shares at fair value plus accrued interest. See Dissenters Rights beginning on page 177. MAA s obligation to close the mergers will be conditioned on holders of no more than 15% of Colonial common shares properly perfecting their right to dissent and demand cash payment for their shares.

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.

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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;
- 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 proxy statement/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;

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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 proxy statement/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);

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

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);

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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;

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;

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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 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;

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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;

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 the joint proxy statement included in this joint proxy statement/prospectus and MAA agreed to prepare and file a registration statement on Form S-4 with respect to the parent merger, which includes this joint proxy statement/prospectus, 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 this joint proxy statement/prospectus 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).

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;

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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.

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

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interests of MAA LP, excluding for purposes of the approval all limited partnership interests held by MAA;

a Form S-4 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 proxy statement/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 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;

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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;

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;

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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);

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

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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 a 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) a 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).

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

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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 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 a 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 a MAA board change in recommendation, or (ii) a 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).

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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 a 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.

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 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 proxy statement/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 proxy statement/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 limited partnership units in MAA LP, 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 limited partnership units in Colonial LP (including limited partnership 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 limited partnership units in MAA LP, 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 limited partnership units in MAA LP, in accordance with the terms of the applicable Voting

Agreement, which

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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 limited partnership units in MAA LP in accordance with the terms of the applicable Voting Agreement.

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 limited partnership units in Colonial LP, 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 limited partnership units in Colonial LP, 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 limited partnership units in Colonial LP 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, limited partnership units in MAA LP, Colonial common shares or limited partnership units in Colonial LP, 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, limited partnership units in MAA LP, Colonial common shares or limited partnership units in Colonial LP, as applicable;

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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, limited partnership units in MAA LP, Colonial common shares or limited partnership units in Colonial LP, as applicable; and

deposit any shares of MAA common stock, limited partnership units in MAA LP, Colonial common shares or limited partnership units in Colonial LP, as applicable, into a voting trust or enter into a voting agreement or arrangement with respect to any such shares or limited partnership units, or grant any proxy or power of attorney with respect to any such shares or limited partnership units.

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 limited partnership units in MAA LP; 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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COMPARATIVE STOCK PRICES AND DIVIDENDS

Shares of MAA common stock and Colonial common shares are traded on the NYSE under the symbols MAA and CLP , respectively. The following table presents trading information for MAA common stock and Colonial common shares on May 31, 2013, the last trading day before the execution of the merger agreement, and August 20, 2013, the latest practicable trading day before the date of this joint proxy statement/prospectus.

	MAA Common Stock			Colonial Common Shares		
Date	**High**	**Low**	**Close**	**High**	**Low**	**Close**
May 31, 2013	$ 69.14	$ 67.92	$ 67.97	$ 22.47	$ 22.08	$ 22.11
August 20, 2013	$ 62.49	$ 60.88	$ 62.26	$ 22.58	$ 21.96	$ 22.58

For illustrative purposes, the following table provides Colonial equivalent per share information on each of the specified dates. Colonial equivalent per share amounts are calculated by multiplying MAA per share amounts by the exchange ratio of 0.360.

	MAA Common Stock			Colonial Equivalent Per Share		
Date	**High**	**Low**	**Close**	**High**	**Low**	**Close**
May 31, 2013	$ 69.14	$ 67.92	$ 67.97	$ 24.89	$ 24.45	$ 24.47
August 20, 2013	$ 62.49	$ 60.88	$ 62.26	$ 22.50	$ 21.92	$ 22.41

Market Prices and Dividend Data

The following tables set forth the high and low sales prices of MAA common stock and Colonial common shares as reported on the NYSE, and the quarterly cash dividends declared per share, for each of the quarterly periods indicated.

MAA

	High	Low	Dividend
2011			
First Quarter	$ 65.00	$ 60.41	$ 0.6275
Second Quarter	68.62	62.12	0.6275
Third Quarter	73.36	57.04	0.6275
Fourth Quarter	63.62	55.10	0.6275
2012			
First Quarter	$ 67.11	$ 57.96	$ 0.66
Second Quarter	70.22	64.67	0.66
Third Quarter	70.21	64.81	0.66
Fourth Quarter	66.68	60.38	0.66
2013			
First Quarter	$ 70.84	$ 64.54	$ 0.695
Second Quarter	74.94	60.88	0.695
Third Quarter (through August 20, 2013)	69.99	60.72	0.695

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Colonial

	High	Low	Dividend
2011			
First Quarter	$ 20.05	$ 17.96	$ 0.15
Second Quarter	21.37	18.60	0.15
Third Quarter	22.00	16.84	0.15
Fourth Quarter	21.18	16.24	0.15
2012			
First Quarter	$ 21.88	$ 20.14	$ 0.18
Second Quarter	22.75	20.48	0.18
Third Quarter	23.64	20.67	0.18
Fourth Quarter	22.83	19.66	0.18
2013			
First Quarter	$ 23.05	$ 21.24	$ 0.21
Second Quarter	24.96	21.49	0.21
Third Quarter (through August 20, 2013)	25.27	21.86	0.21

Because the exchange ratio will not be adjusted for changes in the market price of either shares of MAA common stock or Colonial common shares, the market value of the shares of MAA common stock that holders of Colonial common shares will have the right to receive on the date the mergers are completed may vary significantly from the market value of the shares of MAA common stock that holders of Colonial common shares would receive if the mergers were completed on the date of this joint proxy statement/prospectus. As a result, you should obtain recent market prices of shares of MAA common stock and Colonial common shares prior to voting your shares. See Risk Factors Risk Factors Relating to the Mergers beginning on page 32.

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DISSENTERS RIGHTS

As provided in Section 10A-10-1.15 of the AREITL, if the parent merger is consummated, holders of Colonial common shares who follow the procedures specified by Article 13 of the ABCL will be entitled to determination and payment in cash of the fair value of their shares (as determined immediately before the effective time of the parent merger), excluding any appreciation or depreciation in value in anticipation of the parent merger, unless such exclusion would be inequitable, but including interest from the effective time of the parent merger until the date of payment.

The following summary of the provisions of Article 13 of the ABCL is not intended to be a complete statement of such provisions (the full text of which is attached as Annex H to this joint proxy statement/prospectus), and is qualified in its entirety by reference thereto.

A holder of Colonial common shares electing to exercise dissenters rights (1) must deliver to Colonial at 2101 Sixth Avenue North, Suite 750, Birmingham, Alabama 35203, Attention: Corporate Secretary, before the vote at the Colonial special meeting is taken, written notice of his or her intent to demand payment for his or her shares if the parent merger is effectuated, and (2) must not vote in favor of the parent merger. **A vote in favor of the parent merger by a holder of Colonial common shares will result in the waiver of such shareholder s right to demand payment for his or her shares.**

The requirement of written notice to Colonial is in addition to and separate from the requirement that such shares not be voted in favor of the parent merger, and the requirement of written notice is not satisfied by voting against the parent merger either in person or by proxy. The requirement that shares not be voted in favor of the parent merger will be satisfied if no proxy is returned and the shares are not voted in person. Because a properly executed and delivered proxy which is left blank will, unless revoked, be voted FOR approval of the parent merger, in order to be assured that his or her shares are not voted in favor of the parent merger, a dissenting shareholder who votes by proxy must not leave the proxy blank but must (1) vote AGAINST the approval of the parent merger or (2) affirmatively ABSTAIN from voting. Neither a vote against approval of the parent merger nor an abstention will satisfy the requirement that a written notice of intent to demand payment be delivered to Colonial before the vote on the parent merger.

A record shareholder may assert dissenters rights as to fewer than all of the shares registered in his or her name only if he or she dissents with respect to all shares beneficially owned by any one person and notifies Colonial in writing of the name and address of each person on whose behalf he or she asserts dissenters rights. A beneficial shareholder of Colonial may assert dissenters rights as to shares held on his or her behalf only if he or she submits to Colonial the record shareholder s written consent to the dissent prior to or contemporaneously with such assertion and he or she does so with respect to all shares of which he or she is the beneficial shareholder or over which he or she has the power to vote. **Where no number of shares is expressly mentioned, the notice of intent to demand payment will be deemed to cover all shares held in the name of the record holder**.

No later than 10 days after the parent merger, the Combined Corporation will send a written dissenters notice to each dissenting shareholder who did not vote in favor of the parent merger and who duly filed a written notice of intent to demand payment in accordance with Article 13 of the ABCL. The dissenters notice will specify, among other things, the deadline by which time the Combined Corporation must receive a payment demand from the dissenting shareholders and will include a form for demanding payment. The deadline to submit a dissenting shareholder s payment demand will be no fewer than 30 days and no more than 60 days after the date the dissenters notice is delivered. **It is the obligation of any dissenting shareholder to initiate all necessary action to perfect his or her dissenters rights within the time periods prescribed in Article 13 of the ABCL and the dissenters notice. If no payment demand is timely received from a dissenting shareholder in the manner set forth in the dissenters notice and under Article 13 of the ABCL, all dissenters rights of such dissenting shareholder will be lost, notwithstanding any previously submitted written notice of intent to demand payment**.

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Each dissenting shareholder who timely demands payment will retain all other rights of a shareholder unless and until those rights are cancelled or modified by the parent merger. A dissenting shareholder who demands payment in accordance with the foregoing may not thereafter withdraw that demand and accept the terms offered under the parent merger unless the Combined Corporation consents thereto.

Within 20 days of making a formal payment demand, the dissenting shareholder must submit his or her share certificate or certificates to the Combined Corporation so that a notation indicating that demand has been made may be placed on such certificate or certificates and the certificate or certificates returned to the dissenting shareholder with the notation thereon. **A shareholder s failure to submit his or her certificate or certificates for notation will, at the Combined Corporation s option, terminate the holder s rights as a dissenter, unless a court of competent jurisdiction, for good and sufficient cause, directs otherwise.**

Promptly after the parent merger, or upon receipt of a payment demand, the Combined Corporation shall offer to pay each dissenting shareholder who complied with Article 13 of the ABCL the amount the Combined Corporation estimates to be the fair value of such dissenting shareholder s shares plus accrued interest. Each dissenting shareholder who agrees to accept the offer of payment in full satisfaction of his or her demand must surrender to the Combined Corporation the certificate or certificates representing his or her shares in accordance with the terms of the dissenters notice. Upon receiving the certificate or certificates, the Combined Corporation will pay each accepting dissenting shareholder the fair value of his or her shares, plus accrued interest. Upon receiving payment, each dissenting shareholder ceases to have any interest in the shares.

Each dissenting shareholder who has made a payment demand may notify the Combined Corporation in writing of his or her own estimate of the fair value of his or her shares and the amount of interest due, and demand payment of his or her estimate, or reject the offer made to such shareholder by the Combined Corporation and demand payment of the fair value of his or her shares and interest due, if: (1) the dissenting shareholder believes that the amount offered by the Combined Corporation is less than the fair value of the shares or that the interest due is calculated incorrectly; (2) the Combined Corporation fails to make an offer as required by Article 13 of the ABCL within 60 days after the date set for demanding payment or (3) the Combined Corporation fails to take the proposed action and to remove the notation on the shareholder s certificates within 60 days after the date set for demanding payment; provided, however, a dissenting shareholder waives the right to demand payment different from that offered by the Combined Corporation unless he or she notifies the Combined Corporation of his or her demand in writing within 30 days after the Combined Corporation offered payment for his or her shares.

If a demand for payment remains unsettled, the Combined Corporation must commence a proceeding within 60 days after receiving a dissenting shareholder s payment demand and petition the court to determine the fair value of the shares and accrued interest. If the proceeding is not commenced within the 60 day period, each dissenting shareholder whose demand remains unsettled shall be entitled to receive the amount such dissenting shareholder demanded. Such a proceeding will be filed in the Circuit Court of Montgomery County, Alabama. The Combined Corporation will make all dissenting shareholders whose demands remain unsettled, whether or not residents of Alabama, parties to the proceeding as in an action against their shares, and all parties must be served with a copy of the petition.

Each dissenting shareholder made a party to the proceeding is entitled to judgment for the amount the court finds to be the fair value of his or her shares, plus accrued interest. Upon payment of the judgment and surrender to the Combined Corporation of the certificate or certificates representing the judicially appraised shares, a dissenting shareholder will cease to have any interest in the shares. The court may assess costs incurred in such a proceeding against the Combined Corporation or may assess the costs against all or some of the dissenting shareholders, in amounts the court finds equitable, to the extent the court finds that such dissenting shareholders acted arbitrarily, vexatiously or not in good faith in demanding payment different from that initially offered by the Combined Corporation. The court may also assess the reasonable fees and expenses of counsel and experts against the Combined Corporation if the court finds that it did not substantially comply with its requirements

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regarding providing notice of dissenters rights and the procedures associated therewith under Article 13 of the ABCL or against either the Combined Corporation or all or some of the dissenting shareholders if the court finds that such party against whom the fees and expenses are assessed acted arbitrarily, vexatiously or not in good faith with respect to the rights provided in Article 13 of the ABCL. If the court finds that services of counsel for any dissenting shareholder were of substantial benefit to other similarly situated dissenting shareholders, and that fees for such services should not be assessed against the Combined Corporation, then the court may award reasonable fees to such counsel that will be paid out of the amounts awarded to dissenting shareholders who benefited from such services.

Shareholders considering seeking appraisal should be aware that the fair value of their shares as so determined could be more than, the same as or less than the consideration they would receive pursuant to the parent merger if they did not seek appraisal of their shares and that investment banking opinions as to the fairness, from a financial point of view, of the consideration payable in a sale transaction, such as the parent merger, are not opinions as to, and do not otherwise address, fair value under Article 13 of the ABCL.

MAA shareholders will have no right to dissent from the parent merger or to demand an appraisal of their shares of MAA common stock.

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DESCRIPTION OF CAPITAL STOCK

The following is a summary of some of the terms of MAA s capital stock, the MAA charter, as further amended, MAA s amended and restated bylaws, or the MAA bylaws, and certain provisions of the Tennessee Business Corporation Act, or the TBCA. You should read the MAA charter and the MAA bylaws and the applicable provisions of Tennessee law for complete information on MAA s capital stock. The following summary is not complete and is subject to, and qualified in its entirety by reference to, the provisions of the MAA charter and bylaws. To obtain copies of these documents, see Where You Can Find More Information beginning on page 205.

The description of MAA capital stock in this section applies to the capital stock of the Combined Corporation after the parent merger. For additional information, see Comparison of Rights of Shareholders of MAA and Shareholders of Colonial beginning on page 186.

Shares Authorized

MAA s authorized capital stock consists of 100,000,000 shares of common stock and 20,000,000 shares of preferred stock.

Shares Outstanding

As of August 22, 2013, the record date for the MAA special meeting, MAA had 42,740,450 shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding. Upon consummation of the parent merger, the Combined Corporation is expected to have approximately 76,308,419 shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding.

Common Stock

Holders of shares of MAA common stock are entitled to one vote per share on all matters to be voted on by common shareholders and, subject to any preferential rights granted by the MAA Board to any series of preferred stock, are entitled to receive ratably such dividends as may be declared in respect of the common stock by the MAA Board in its discretion from funds legally available therefor. In the event of MAA s liquidation, dissolution or winding-up, holders of common stock are entitled to share ratably in all assets remaining after payment of all debts and other liabilities and any liquidation preference payable on MAA s then-outstanding preferred stock. Holders of MAA common stock have no preference, subscription, redemption, conversion, exchange, sinking fund or preemptive rights. Subject to the voting rights, if any, of any preferred stock outstanding at the time of a shareholder vote, action on a matter submitted for shareholder approval at a shareholders meeting (other than the election of directors) is generally approved if the votes cast by the holders of common stock in favor of the action exceed the votes cast opposing the action, while directors are elected by a plurality of the votes cast by the shares entitled to vote in the election. Holders of MAA common stock do not have cumulative voting rights in the election of MAA s directors. This means that the holders of a majority of the outstanding shares of MAA common stock will generally be entitled, subject to the rights, if any, of any preferred stock outstanding at any time to vote in the election of directors, to elect all of MAA s directors standing for election. The outstanding shares of MAA common stock are fully paid and nonassessable, and the shares of MAA common stock to be issued in connection with the parent merger will be fully paid and nonassessable.

Shares of MAA common stock are subject to restrictions on ownership and transfer designed to preserve MAA s qualification as a REIT for U.S. federal income tax purposes. See Certain Matters of Corporate Governance Ownership Limitations below.

Preferred Stock

Under the MAA charter, the MAA Board is authorized, without shareholder action, to cause the issuance of up to 20,000,000 shares of preferred stock, in such series, and with such preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or other provisions, as may be fixed by the

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MAA Board. As a result, the MAA Board may afford the holders of any series of preferred stock preferences, powers, and rights, voting or otherwise, that may dilute or otherwise adversely affect the economic, voting and other rights of holders of MAA common stock and may also provide any series of preferred stock with preferences over MAA common stock as to dividends and the distribution of assets in the event of MAA s liquidation, dissolution or winding-up.

Although no MAA preferred stock is outstanding as of the date of this joint proxy statement/prospectus, MAA has from time-to-time in the past issued series of preferred stock and may do so again in the future. In particular, the MAA Board has previously designated and established the terms of the following series of preferred stock:

2,000,000 shares of 9.5% Series A Cumulative Preferred Stock, of which no shares are outstanding;

2,156,250 shares of 8.875% Series B Cumulative Preferred Stock, of which no shares are outstanding;

2,000,000 shares of 9.375% Series C Cumulative Redeemable Preferred Stock, of which no shares are outstanding;

1,000,000 shares of 9.5% Series E Cumulative Redeemable Preferred Stock, of which no shares are outstanding;

3,000,000 shares of 9.25% Series F Cumulative Redeemable Preferred Stock, of which no shares are outstanding;

400,000 shares of 8.625% Series G Cumulative Redeemable Preferred Stock, of which no shares are outstanding; and

6,200,000 shares of 8.30% Series H Cumulative Redeemable Preferred Stock, of which no shares are outstanding.

MAA has redeemed or retired all of the shares of the preferred stock referred to in the foregoing bullet points. However, under Tennessee law, these shares, although no longer outstanding, are still allocated to the respective series referred to above and therefore cannot (absent an appropriate amendment to the MAA charter) be reissued except as a part of such series and with the dividend rate and other terms and provisions of such series previously established by the MAA Board. Accordingly, as of the date of this joint proxy statement/prospectus, of the 20,000,000 shares of preferred stock that MAA is authorized to issue pursuant to the MAA charter, a total of 16,756,250 of those shares have been allocated to the respective series set forth in the bullet points above, leaving 3,243,750 shares of preferred stock that may be issued from time-to-time in such amounts and series and with such terms and provisions as may be established from time-to-time by the MAA Board.

Power to Issue Additional Shares of Common and Preferred Stock

MAA may issue additional shares of common stock or preferred stock and classify and issue additional series of preferred stock. These actions can be taken without action by MAA s shareholders, unless shareholder approval is required by applicable law or rule of any stock exchange or automated quotation system on which MAA stock may be listed or traded. MAA may issue a class or series of stock that could delay, defer or prevent a transaction or a change in control of MAA that that might involve a premium price for MAA common stock or that the holders of MAA common stock otherwise believe to be in their best interest. MAA s issuance of additional shares of capital stock in the future could dilute the voting and other rights of shares held by existing shareholders.

Certain Matters of Corporate Governance

Charter and Bylaw Provisions

The TBCA, the MAA charter and the MAA bylaws govern MAA shareholders rights and related matters. Certain provisions of the MAA charter and MAA bylaws, which are described below, may make it more difficult to change the composition of the MAA Board and may discourage or make more difficult any attempt by a person or group to obtain control of MAA.

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Voting Requirement

Under the TBCA, the MAA charter generally may not be amended without shareholder approval. Except as provided below and subject to the voting rights of any preferred stock outstanding at the time of a shareholder vote, any amendment to the MAA charter submitted for shareholder approval at a shareholders meeting is generally approved if it receives the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote generally on the subject matter. Additionally, the MAA charter provides that the MAA Board cannot take any action intended to terminate MAA s qualification as a REIT without the affirmative vote of at least two-thirds of the outstanding shares of common stock. Under the TBCA, MAA s shareholders may amend the MAA bylaws if the number of votes cast in favor of the amendment exceeds the number of votes cast against the amendment. Additionally, MAA s directors may amend the MAA bylaws upon the affirmative vote of a majority of the directors then in office, unless the shareholders prescribe that any such bylaw may not be amended or repealed by the MAA Board or unless the TBCA or the MAA charter otherwise provides.

Special Meetings

Under the MAA bylaws, shareholders may require MAA to call special meetings of the shareholders only if such shareholders hold outstanding shares representing more than 10% of all votes entitled to be cast at any such special meeting.

Advance Notice of Director Nominations and New Business

The MAA bylaws provide that with respect to an annual meeting of shareholders, nominations of persons for election to the MAA Board and the proposal of other business to be considered by shareholders may be made only (i) by or at the direction of the MAA Board or (ii) by any MAA shareholder who (A) was a shareholder of record at the time of giving the notice as provided for in the MAA bylaws and at the time of the annual meeting, (B) is entitled to vote at the meeting, and (C) has complied with the advance notice procedures set forth in the MAA bylaws. In addition, with respect to any special meeting of shareholders at which directors are to be elected, nominations of persons for election to the MAA Board may be made only (i) by or at the direction of the MAA Board or (ii) by any MAA shareholder who (A) was a shareholder of record at the time of giving the notice as provided for in the MAA bylaws and at the time of the special meeting, (B) is entitled to vote at the meeting, and (C) has complied with the advance notice procedures set forth in the MAA bylaws.

The advance notice provisions of the MAA bylaws could have the effect of discouraging a takeover or other transaction in which holders of MAA common stock might receive a premium for their shares over the then prevailing market price or which such holders might believe to be otherwise in their best interests.

Limitation of Director s Liability

The MAA charter eliminates, subject to certain exceptions, the personal liability of a director to MAA or its shareholders for monetary damages for breaches of such director s fiduciary duty as a director. The MAA charter does not provide for the elimination of or any limitation on the personal liability of a director for:

- any breach of a director s duty of loyalty to MAA or its shareholders;
- acts or omissions not in good faith or which involve intentional misconduct or knowing violations of law; or
- unlawful corporate distributions.

Removal of Directors

The MAA bylaws provide that MAA shareholders may remove any director, with or without cause, but such removal requires the affirmative vote of holders of not less than 75% of all shares entitled to vote in the election of directors at a special meeting called for that purpose. This provision may make it more difficult for shareholders to remove directors.

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Tennessee Anti-Takeover Statutes

In addition to certain of the MAA charter and MAA bylaws provisions discussed above and below, Tennessee has adopted a series of statutes which can have an anti-takeover effect and may delay or prevent a tender offer or takeover attempt that a shareholder might consider in its best interest, including those attempts that might result in a premium over the market price for MAA common stock.

Under the Tennessee Investor Protection Act, unless the MAA Board has recommended a takeover offer to shareholders, no offeror beneficially owning five percent or more of any class of equity securities of MAA, any of which was purchased within one year prior to the proposed takeover offer (unless the offeror, before making such purchase, has made a public announcement of its intention with respect to changing or influencing the management or control of MAA, has made a full, fair and effective disclosure of such intention to the person from whom the offeror intends to acquire such securities and has filed with the Tennessee Commissioner of Commerce and Insurance, or the Commissioner, and MAA a statement signifying such intentions and containing such additional information as the Commissioner by rule prescribes), may offer to acquire any class of equity security of MAA pursuant to a tender offer if after the acquisition thereof the offeror would be directly or indirectly a beneficial owner of more than 10% of any class of outstanding equity securities of the offeree company, or a Takeover Offer. Such an offeror must provide that any equity securities of MAA deposited or tendered pursuant to a Takeover Offer may be withdrawn by an offeree at any time within seven days from the date the offer has become effective following filing with the Commissioner and MAA and public announcement of the terms or after 60 days from the date the offer has become effective. If an offeror makes a Takeover Offer for less than all the outstanding equity securities of any class, and if the number of securities tendered is greater than the number the offeror has offered to accept and pay for, the securities shall be accepted pro rata. If an offeror varies the terms of a Takeover Offer before its expiration date by increasing the consideration offered to offeree, the offeror shall pay the increased consideration for all equity securities accepted, whether accepted before or after the variation in the terms of the offer.

Under the Tennessee Business Combination Act, subject to certain exceptions, MAA may not engage in any business combination with an interested shareholder for a period of five years following the date that such shareholder became an interested shareholder unless prior to such date the MAA Board approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder.

A business combination is defined by the Tennessee Business Combination Act as any:

- merger or consolidation;
- share exchange;
- sale, lease, exchange, mortgage, pledge or other transfer of assets representing 10% or more of:
  - the aggregate market value of the corporation s consolidated assets;
  - the aggregate market value of the corporation s shares; or
  - the corporation s consolidated net income;
- issuance or transfer of shares by the corporation to the interested shareholder;
- plan of liquidation or dissolution proposed by the interested shareholder;

transaction or recapitalization which increases the proportionate share of any outstanding voting securities owned or controlled by the interested shareholder; or

financing arrangement whereby any interested shareholder receives, directly or indirectly, a benefit except proportionately as a shareholder.

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An interested shareholder is defined as:

- any person that is the beneficial owner of 10% or more of the voting power of any class or series of outstanding voting stock of the corporation; or
- an affiliate or associate of the corporation who at any time within the five-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of 10% or more of the voting power of any class or series of the outstanding stock of the corporation.

Consummation of a business combination that is subject to the five-year moratorium is permitted after such period when the transaction complies with all applicable charter and bylaw requirements and either (i) is approved by the holders of two-thirds of the voting stock not beneficially owned by the interested shareholder, or (ii) meets certain fair price criteria.

The Tennessee Greenmail Act prohibits MAA from purchasing, directly or indirectly, any of its shares at a price above the market value of such shares (defined as the average of the highest and lowest closing market price for such shares during the 30 trading days preceding the purchase and sale or preceding the commencement of a tender offer or announcement of an intention to seek control of the corporation if the seller of such shares has commenced a tender offer or announced an intention to seek control of the corporation) from any person who holds more than three percent of the class of securities to be purchased if such person has held such shares for less than two years, unless the purchase has been approved by the affirmative vote of a majority of the outstanding shares of each class of voting stock issued by such corporation or the corporation makes an offer, of at least equal value per share, to all holders of shares of such class.

Ownership Limitations

For MAA to qualify as a REIT under the Code, among other things, no more than 50% in value of MAA s outstanding shares of capital stock may be owned, directly or indirectly, by five or fewer shareholders (as defined in the Code to include certain entities) during the last half of a taxable year, and such capital stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. To ensure that MAA continues to meet the requirements for qualification as a REIT, the MAA charter provides, subject to certain limited exceptions, that no holder may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.9% of the outstanding shares of MAA s capital stock, both common and preferred, which is referred to as the Ownership Limit. All shares of MAA s capital stock which any person has the right to acquire upon exercise of outstanding rights, options or warrants, or upon conversion of convertible securities, shall be considered for purposes of determining the Ownership Limit if inclusion of those shares would cause such person to violate the Ownership Limit. The MAA Board may exempt from the Ownership Limit ownership or transfer of shares of capital stock while owned by or transferred to a person who has provided evidence and assurances acceptable to the MAA Board that MAA s qualification as a REIT under the Code would not be jeopardized thereby. Absent such an exemption, any transfer of capital stock that would result in direct or indirect ownership of capital stock by a shareholder in excess of the Ownership Limit or that would result in MAA s disqualification as a REIT under the Code, including any transfer that results in the capital stock being owned by fewer than 100 persons or results in MAA being closely held within the meaning of section 856(h) of the Code, shall be null and void, and the intended transferee will acquire no rights to the capital stock. If the MAA Board at any time determines that a transaction has taken place, or that any person intends to acquire shares of MAA s capital stock, in violation of the restrictions described in the immediately preceding sentence, the MAA Board may take such action as it deems advisable to refuse to give effect to or to prevent such transaction, including refusing to give effect to any such transfer on MAA s stock transfer books.

If, notwithstanding the foregoing restrictions on transfer, any person acquires shares in excess of the Ownership Limit, such shares shall be deemed Excess Shares held by such holder as agent on behalf of, and in trust for the exclusive benefit of, the transferees (which may include MAA) to whom such capital stock may be ultimately transferred without violating the Ownership Limit. While the Excess Shares are held in trust, the holder thereof will not be entitled to vote the Excess Shares or to receive dividends or other distributions on the Excess Shares.

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Within six months after receiving notice of a transfer that results in shares of MAA s capital stock being deemed Excess Shares, the MAA Board shall either direct the holder to sell the Excess Shares or shall redeem the Excess Shares. If the MAA Board directs a holder of Excess Shares to sell such Excess Shares, such holder shall pay MAA out of the proceeds of such sale all expenses incurred by MAA in connection with such sale plus any remaining amount of such proceeds that exceeds that amount paid by such holder for the Excess Shares.

If the MAA Board determines to redeem the Excess Shares, the MAA Board will notify the holder of Excess Shares not less than one week prior to the redemption date determined by the MAA Board and stated in the notice of redemption. MAA will pay the holder a redemption price equal to the lesser of (a) the principal price paid for the Excess Shares by the holder, (b) a price per Excess Share equal to the market price (as determined in the manner set forth in MAA s charter) of the applicable capital stock, (c) the market price (as so determined) on the date such holder would, but for the restrictions on transfers set forth in MAA s charter, be deemed to have acquired ownership of the Excess Shares (if market price is not determinable (as set forth in MAA s charter), the net asset value per share on the date of the notice of redemption as determined in good faith by the MAA Board). and (d) the maximum price allowed under the Tennessee Greenmail Act described above under Tennessee Anti-Takeover Statutes (such price being the average of the highest and lowest closing market price for the Excess Shares during the 30 trading days preceding the purchase of such Excess Shares or, if the holder of such Excess Shares has commenced a tender offer or has announced an intention to seek control of MAA, during the 30 trading days preceding the commencement of such tender offer or the making of such announcement). The redemption price may be paid, at MAA s option, by delivering to the holder of the Excess Shares one common unit (subject to adjustment from time-to-time in the event of, among other things, stock splits, stock dividends or recapitalizations affecting MAA common stock or certain mergers, consolidations or asset transfers by MAA) issued by MAA LP for each Excess Share being redeemed.

Each shareholder shall upon demand be required to provide MAA with an affidavit setting forth any information with respect to its direct, indirect, constructive and beneficial ownership of MAA s capital stock as the MAA Board deems necessary to comply with the provisions of the Code applicable to REITs or to determine any such compliance. Each such affidavit shall also include the information required to be filed by shareholders in reports pursuant to Section 13(d) of the Exchange Act. A person planning to acquire capital stock in excess of the Ownership Limit is also required to provide MAA with a similar affidavit at least 15 days prior to the proposed acquisition.

The Ownership Limit may have the effect of precluding acquisition of control of MAA and could have the effect of discouraging a takeover or other transaction in which holders of common stock might receive a premium for their shares over the then prevailing market price or which such holders might believe to be otherwise in their best interests.

Other Matters

Pursuant to the TBCA, MAA cannot merge with and into another entity or sell all or substantially all of its assets unless such merger or sale is approved by a majority of the outstanding shares of MAA common stock.

Transfer Agent

The transfer agent and registrar for shares of MAA common and preferred stock is American Stock Transfer & Trust Company, Brooklyn, New York.

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COMPARISON OF RIGHTS OF SHAREHOLDERS OF MAA AND SHAREHOLDERS OF COLONIAL

If the parent merger is consummated, shareholders of Colonial will become shareholders of MAA. The rights of Colonial shareholders are currently governed by and subject to the provisions of the AREITL, and the declaration of trust and bylaws of Colonial. Upon consummation of the parent merger, the rights of the former Colonial shareholders who receive MAA common stock will be governed by the TBCA and the MAA charter and MAA bylaws, rather than the declaration of trust and bylaws of Colonial.

The following is a summary of the material differences between the rights of MAA shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger) and Colonial shareholders, but does not purport to be a complete description of those differences or a complete description of the terms of the MAA common stock subject to issuance in connection with the parent merger. The following summary is qualified in its entirety by reference to the relevant provisions of: (i) Tennessee law; (ii) Alabama law; (iii) the MAA charter; (iv) the Colonial declaration of trust; (v) the MAA bylaws; and (vi) the Colonial bylaws.

This section does not include a complete description of all differences among the rights of MAA shareholders and Colonial shareholders, nor does it include a complete description of the specific rights of such shareholders. The AREITL covers some of the same matters covered by the ABCL. However, there are some corporate governance matters that are addressed in the ABCL that are not dealt with in the AREITL. Colonial has addressed particular corporate governance matters in the Colonial declaration of trust and bylaws. For corporate governance matters not addressed in the AREITL or in the Colonial declaration of trust and bylaws, Colonial believes that the treatment of such matters in the ABCL may be a relevant consideration in determining applicable Alabama law.

Furthermore, the identification of some of the differences in the rights of such holders as material is not intended to indicate that other differences that may be equally important do not exist. You are urged to read carefully the relevant provisions of Tennessee and Alabama law, as well as the governing corporate instruments of each of MAA and Colonial, copies of which are available, without charge, to any person, including any beneficial owner to whom this joint proxy statement/prospectus is delivered, by following the instructions listed under Where You Can Find More Information.

	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	**Rights of Colonial Shareholders**
Corporate Governance	MAA is a Tennessee corporation that has elected to be taxed as a REIT for U.S. federal income tax purposes.	Colonial is an Alabama real estate investment trust that has elected to be taxed as a REIT for U.S. federal income tax purposes.
	The rights of MAA shareholders are governed by the TBCA, the MAA charter and the MAA bylaws.	The rights of Colonial shareholders are governed by the AREITL, the Colonial declaration of trust and the Colonial bylaws.
Authorized Capital Stock or Shares of Beneficial Interest	MAA is authorized to issue an aggregate of 120 million shares of capital stock, consisting of (1) 100 million shares of common stock, $0.01 par value per share; and (2) 20 million shares of preferred stock, $0.01 par value per share.	Colonial is authorized to issue an aggregate of 145 million shares of beneficial interest, consisting of; (1) 125 million common shares of beneficial interest, $0.01 par value per share; and (2) 20 million preferred shares, subject to specific designations. Colonial also has the authority to issue a number of excess shares as described below under Ownership Limitations.
	At June 30, 2013, there were issued and outstanding 42,736,134 shares of MAA common stock. There are no shares of MAA preferred stock outstanding.	

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
		At June 30, 2013, there were issued and outstanding 88,744,357 Colonial common shares. There are no Colonial preferred shares or excess shares outstanding.
	Preferred Stock. The MAA Board is authorized to issue preferred stock from time-to-time in such series and with such preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or other provisions as may be fixed by the MAA Board.	*Preferred Shares*. The Colonial Board, pursuant to the declaration of trust but subject to any shareholder approval required by the Alabama Constitution, may authorize the issuance of one or more series of Colonial preferred shares, fixing the numbers, designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms or conditions of redemption. The Colonial Board may also issue other securities of Colonial, having voting rights, dividend or interest rates, preferences, subordinations, conversion or redemption prices or rights, maturity dates, distribution, exchange or liquidation rights or other rights as the trustees may determine, without shareholder vote except as may be required by the Alabama Constitution.
Voting Rights	Each shareholder of MAA common stock is entitled to one vote per share on all matters upon which shareholders are entitled to vote.	Each holder of Colonial common shares is entitled to one vote per share on all matters upon which shareholders are entitled to vote under the Colonial declaration of trust.
	Unless a greater vote is otherwise required or permitted under the TBCA of the MAA charter, the votes cast favoring the action exceed the votes cast opposing the action shall be the act of the shareholders, except with respect to the election of directors, who are elected based on the candidates receiving the highest number of votes at a meeting.	Unless a greater vote is otherwise required by the Alabama Constitution, statute or the Colonial declaration of trust, a majority of the votes cast at a meeting at which at least a majority of all votes entitled to be cast are present in person or by proxy is required to approve matters before the shareholders, except with respect to the election of trustees, who are elected based on the candidates receiving the highest number of votes at a meeting. Each share may be voted for as many individuals as there are trustees to be elected and for whose election the share is entitled to be voted. The Colonial declaration of trust provides that, subject to the provisions of any class or series of shares then outstanding and to mandatory provisions of law, the Colonial shareholders will be entitled to vote only on the following matters:
		an increase or decrease in the number of trustees;

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
		election or removal of trustees of Colonial; amendment of the Colonial declaration of trust; termination of the existence of Colonial; reorganization of Colonial; merger, consolidation or sale or other disposition of all or substantially all of Colonial s property; and termination of Colonial s status as a REIT for U.S. federal tax purposes. Except with respect to the foregoing matters, no action taken by the Colonial shareholders at any meeting will in any way bind the Colonial trustees.
Cumulative Voting	Holders of MAA stock do not have the right to cumulate their votes with respect to the election of directors.	Holders of Colonial shares do not have the right to cumulate their votes with respect to the election of trustees.
Size of the Board of Directors and Board of Trustees	The number of directors must be between three and nine unless otherwise determined by at least 80% of the members of the MAA Board. The number of directors may be established or changed by at least 80% of the members of the MAA Board. Currently, the MAA Board consists of 7 directors. Upon completion of the parent merger, by resolution unanimously adopted by the MAA Board, the board of directors of the Combined Corporation will be increased to 12 directors.	The Colonial declaration of trust provides for a minimum of three and a maximum of 15 trustees, with the number of trustees within this range established by resolution of the Colonial Board, as provided in the Colonial declaration of trust and bylaws. The current size of the Colonial Board is ten.

Independent Directors and Trustees	A majority of the directors on the MAA Board must be independent directors except during a period of up to 60 days following the death, resignation, incapacity or removal of a director.	A majority of the trustees on the Colonial Board must be independent in accordance with New York Stock Exchange listing standards.
Classified Board and Term of Directors and Trustees	The MAA Board is not classified.	The Colonial Board is not classified.
	The directors of MAA hold office for a term expiring at the next succeeding annual meeting of shareholders and until their successors are duly elected and qualified.	The trustees of Colonial hold office for a term expiring at the next succeeding annual meeting of shareholders and until their successors are duly elected and qualified.

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
Election of Directors and Trustees	A plurality of the votes cast by share entitled to vote at the election at a meeting at which a quorum is present shall be sufficient to elect a director.	A plurality of all the votes cast at a meeting of the shareholders duly called and at which a quorum is present shall be sufficient to elect a trustee.
Removal of Directors and Trustees	The TBCA provides that shareholders may remove directors with or without cause unless the charter provides that directors may be removed only for cause. However, if a director is elected by a particular voting group, that director may only be removed by the requisite vote of that voting group.	Unless the declaration of trust provides otherwise, the AREITL provides that the shareholders of an Alabama real estate investment trust may remove any trustee with or without cause by the affirmative vote of a majority of all of the votes entitled to be cast for the election of trustees.
	MAA s bylaws provide that directors may be removed with or without cause by the affirmative vote of holders of 75% of all shares entitled to vote on the election of directors at a special meeting called for that purpose.	Pursuant to the Colonial declaration of trust, a trustee may be removed, with or without cause, only at a meeting of shareholders called for that purpose, by a vote of not less than two-thirds of the shares then outstanding and entitled to vote in the election of trustees.
Filling Vacancies of Directors and Trustees	The TBCA provides that vacancies on the board of directors, including a vacancy resulting from an increase in the number of directors or a vacancy resulting from a removal with or without cause may be filled by the shareholders, board of directors or, if the remaining directors constitute fewer than a quorum of the board, the affirmative vote of a majority of all the directors remaining in office. If the vacant office was held by a director elected by a voting group of shareholders, then only the holders of shares of that voting group are entitled to vote to fill the vacancy if it is filled by the shareholders.	Under the Colonial bylaws, a majority of the trustees shall fill any vacancy, including a vacancy created by an increase in the number of trustees, at any regular meeting or at any special meeting called for that purpose. A trustee chosen by the other trustees to fill a vacancy will serve for the unexpired term of the trustee he is replacing.
	MAA s bylaws provide that any vacancies on the MAA Board may be filled by a majority of the remaining directors, even though such majority is less than a quorum; provided, however, that vacancies shall be filled in accordance with MAA s corporate governance guidelines.	
	MAA s bylaws also provide that any vacancies on the MAA Board resulting from removal of a director by the shareholders may be filled by the shareholders for the balance of the term of the removed director, subject to the independence requirement.	

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
Amendment of the MAA Charter and the Colonial Declaration of Trust	The TBCA provides that certain relatively technical amendments to a corporation s charter may be adopted by the board of directors without shareholder approval. Other amendments to the charter shall be approved, subject to any condition the board of directors may place on its submission of the amendment to the shareholders, if the votes cast favoring the action exceed the votes cast opposing the action, unless the charter, board of directors or applicable law requires a greater vote. Where permissible under the TBCA, including amendments to the MAA charter, the MAA Board has adopted a greater voting standard, requiring the affirmative vote of a majority of shares present in person or represented by proxy at a meeting and entitled to vote generally on the subject matter.	The Colonial declaration of trust provides that, subject to Section 6.3 thereof, the declaration of trust may be amended by: (1) adoption of the amendment by the trustees and submission to the shareholders; and (2) the affirmative vote of the holders of not less than a majority of shares then outstanding and entitled to vote; except that certain provisions relating to the resignation, removal or death of a trustee, the termination of Colonial and amendment to the Colonial declaration of trust require the affirmative vote of the holders of two-thirds of the shares then outstanding and entitled to vote. Notwithstanding, Section 234 of the Alabama Constitution requires the consent of persons holding the larger amount in value of stock to increase the stock of a corporation. Section 237 of the Alabama Constitution provides that no corporation may issue preferred stock without the consent of owners of two-thirds of the stock of the corporation. Further, no amendment to the Colonial declaration of trust or repeal of any of its provisions will limit or eliminate the right of indemnification provided with respect to an act or omission that took place prior to the amendment or repeal.
Bylaw Amendments	Under the TBCA, shareholder action is generally not necessary to amend the bylaws, unless the charter provides otherwise or the shareholders in amending or repealing a particular bylaw provide expressly that the board of directors may not amend or repeal that bylaw. Shareholders may amend or repeal a corporation s bylaws even though the bylaws may also be amended or repealed by the MAA Board. The MAA bylaws may be amended or repealed and new bylaws may be adopted by (1) a majority vote of the MAA directors then in office or (2) the affirmative vote of the holders of at least a majority of the voting power of all of then-outstanding shares of the capital stock entitled to vote generally in the election of directors, voting together as a single class.	Colonial s bylaws provide that they may be amended or repealed by either: (1) the affirmative vote of a majority of all shares outstanding and entitled to vote generally in the election of trustees, voting as a single group; or (2) an affirmative vote of a majority of the Colonial Board, unless the shareholders prescribe that any such bylaw may not be amended or repealed by the Colonial Board.

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
	Any amendments relating to the indemnification provisions set forth in MAA s bylaws will not adversely affect the right to indemnification or advancement of expenses granted to any person with respect to any act or omission occurring prior to such amendment.	Any amendments relating to the indemnification provisions set forth in Colonial s bylaws will not affect such bylaw provisions applicability with respect to an act or failure to act which occurred prior to the date of such amendment.
Mergers, Consolidations or Sales of Substantially all Assets	Under the TBCA, with respect to a sale or other disposition of all or substantially all of MAA s assets, a merger of MAA with and into another corporation, or a share exchange involving one or more classes or series of MAA s shares or a dissolution of MAA, the respective sale or other transaction, plan of merger, the share exchange or dissolution must be approved by the board of directors (except in certain limited circumstances) and, with certain exceptions, by a majority of all the votes entitled to be cast on the applicable proposal, unless a greater vote is required by MAA s charter, the board of directors or applicable law.	The AREITL provides that a merger shall be approved by the shareholders of a trust by the affirmative vote of two-thirds of all the votes entitled to be cast on the merger. However, notwithstanding any provision of the AREITL which requires for any action the concurrence of a greater proportion of the votes than a majority of the votes entitled to be cast, a trust may provide by its declaration of trust that the action may be taken or authorized on the concurrence of a smaller proportion, but not less than a majority of the number of votes entitled to be cast on the matter. The Colonial declaration of trust provides that, subject to the provisions of any class or series of shares at the time outstanding, the Colonial Board has the power to: (1) merge Colonial into another entity; (2) consolidate Colonial with one or more other entities into a new entity; or (3) sell or otherwise dispose of all or substantially all of Colonial s property; provided, however, that such action shall have been approved by the affirmative vote of the holders of not less than a majority of the shares then outstanding and entitled to vote on the matter, at a meeting of the shareholders called for that purpose. Pursuant to the partnership agreement of Colonial LP, Colonial, as general partner, will not engage in any merger, consolidation or other combination with or into another person or sale of all or substantially all of its assets, or any reclassification, or recapitalization or change of outstanding Colonial common shares unless: (1) the transaction also includes a merger of Colonial LP or sale of substantially all of assets of Colonial LP which has been approved by three-fourths of the outstanding

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
		common units held by the limited partners (including common units held by Colonial as limited partnership interests) and as a result of which all limited partners will receive consideration for each common unit based on a specified formula; and (2) no more than 49% of the equity securities of the acquiring person in such transaction will be owned, after consummation of such transaction, by Colonial or persons who are affiliates of Colonial LP or Colonial immediately prior to the date on which the transaction is consummated. Notwithstanding, Colonial may merge with another entity if immediately after such merger substantially all of the assets of the surviving entity, other than partnership units held by Colonial, are contributed to the partnership as a capital contribution in exchange for partnership units with a fair market value, as reasonably determined by Colonial, equal to the value of the assets so contributed determined under Section 704(c) of the Code.
Ownership Limitations	With certain limited exceptions, no person shall beneficially own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.9% of the outstanding shares of MAA s capital stock. Upon demand, all shareholders are required to provide written information relating to maintenance of MAA s REIT status.	With certain limited exceptions, no person shall beneficially own, or be deemed to own by virtue of the attribution provisions of the Code, more than: (1) 9.8%, in either number of shares or value (whichever is more restrictive), of any class of outstanding shares of Colonial; (2) 5% in number or value (whichever is more restrictive) of the outstanding Colonial common shares and the outstanding excess shares of Colonial; and (3) in the case of certain excluded holders related to the Lowder family: (i) 29% by one individual; (ii) 34% by two individuals; (iii) 39% by three individuals; or (iv) 44% by four individuals.

In the event of a purported transfer or other event that would, if effective, result in the ownership of shares in violation of the ownership limitation, that number of shares that would be owned by the transferee in

In the event of a purported transfer or other event that would, if effective, result in the ownership of shares in violation of the ownership limitations, that number of shares that would be owned by the transferee in

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
	excess of the ownership limitation are deemed excess shares. Excess shares are deemed to be held in trust by the purported transferee for the benefit of the person or persons to whom the board of directors requires the shares to be transferred. The purported transferee has no right to receive dividends or other distributions on or vote the excess shares. The MAA Board may require the purported transferee to sell the excess shares for cash, or may determine to redeem the excess shares, in cash or for partnership units in MAA LP. The MAA Board may exempt from the Ownership Limit ownership or transfer of shares of capital stock while owned by or transferred to a person who has provided evidence and assurances acceptable to the MAA Board that MAA s qualification as a REIT under the Code would not be jeopardized thereby.	excess of the ownership limitations automatically are exchanged for an equal number of excess shares. Any purported transferee or other purported holder of excess shares is required to give written notice to Colonial of a purported transfer or other event that would result in the issuance of excess shares. Excess shares continue as issued and outstanding shares, but are not considered issued and outstanding for purposes of any shareholder vote. Although outstanding, excess shares are to be held in trust, with the trustee of that trust being Colonial. The beneficiary of the trust is to be designated by Colonial. Excess shares participate ratably in any liquidation, dissolution or winding up of Colonial. Excess shares are not entitled to vote on any matter and are not entitled to any dividends or distributions. These ownership limitations may be waived by the Colonial Board if it receives representations and undertakings of certain facts for the protection of Colonial s REIT status and, if requested, an IRS ruling or opinion of counsel. Absent a waiver, an issuance or transfer of shares in violation of the ownership limitations is void ab initio as to the transfer of such shares that would cause the violation of the ownership limitation and the intended transferee acquires no rights to the shares.
Annual Meetings of the Shareholders	An annual meeting of MAA shareholders shall be held at a time and place as fixed by MAA s president or the MAA Board, but if no date and time is fixed, than on the first Thursday in May, at 10:00 a.m.	The annual meeting of the shareholders of Colonial shall be held during the second calendar quarter of each year on a date and time set by the Colonial Board.
Special Meetings of the Shareholders	Under the TBCA, the board of directors, any person authorized by the charter or bylaws, or (unless the charter provides otherwise) the holders of at least 10% of the votes entitled to be cast may call a special meeting of shareholders. MAA s bylaws provide that a special meeting of shareholders may be called at any time by the president, a majority of the board of directors, or a majority of the independent directors.	A special meeting of Colonial s shareholders may be called by Colonial s president or chairman of the Colonial Board, or, upon the written request of the holders of shares representing at least 25% of all the votes entitled to be cast on any issue proposed to be considered at any such special meeting of shareholders.

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
	A special meeting will also be called by the secretary upon the written request of MAA shareholders representing more than 10% of the votes entitled to be cast at such meeting.	
	Business transacted at the special meeting of shareholders will be limited to the purposes specifically designated in the notice.	Business transacted at the special meeting of shareholders will be limited to the purposes specifically designated in the notice.
Advance Notice Provisions for Shareholder Nominations and Shareholder Business Proposals	The MAA bylaws provide that nominations for election to the MAA Board and the proposal of business to be considered by the shareholders may be made only:	The Colonial bylaws provide that nominations for election to the Colonial Board and the proposal of business to be considered by the shareholders may be made only:
	by or at the direction of the MAA Board; or	by or at the direction of the Colonial Board; or
	upon timely and proper notice by a shareholder who is a shareholder of record at the time of giving of notice and entitled to vote at the meeting.	upon timely and proper notice by a shareholder who is a shareholder of record at the time of giving of notice and entitled to vote at the meeting.
	In general, notice of shareholder nominations or business for an annual meeting must be delivered not earlier than 120 days nor later than 90 days prior to the first anniversary of the preceding year s annual meeting, unless the annual meeting is advanced more than 30 days or delayed more than 60 days from the anniversary date, in which case notice must be delivered not earlier than the 120th day nor later than the 90th day prior to the annual meeting, or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the tenth day following the day on which the public announcement of the date of the meeting is first made. Notice of shareholder nominations for a special meeting must be delivered not earlier than the 120th day prior to the special meeting, and not later than the close of business on the 90th day prior to the meeting, or, if the first public announcement of the date of such special meeting is less than 100 days prior to the date of such special meeting, the tenth day following the day on which the public announcement is first made of the date of the meeting and the nominees proposed by the MAA Board.	In general, notice of shareholder nominations or business for an annual meeting must be delivered not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year s annual meeting, unless the annual meeting is advanced more than 30 days or delayed more than 60 days from the anniversary date, in which case notice must be delivered not earlier than the 90th day nor later than the 60th day prior to the annual meeting, or the tenth day following the day on which the public announcement of the date of the meeting is first made. Notice of shareholder nominations for a special meeting must be delivered not earlier than the 90th day prior to the special meeting, and not later than the close of business on the later of the 60th day prior to the meeting or the tenth day following the day on which the public announcement is first made of the date of the meeting and the nominees proposed by the Colonial Board.

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
Notice of Shareholder Meetings	Not less than 10 days nor more than 2 months before each meeting of shareholders, the secretary shall give notice of such meeting to each shareholder entitled to notice. A shareholder-requested special meeting shall be held not less than 35 days nor more than 120 days after the date of receipt of a shareholder-requested special meeting request.	The Colonial bylaws provide that not less than 10 nor more than 75 days before each meeting of shareholders, Colonial or other persons calling the meeting shall give notice to each shareholder entitled to vote at such meeting, and to each shareholder not entitled to vote but who is entitled to notice of the meeting, written or printed notice stating the date, time and place of the meeting, and in the case of a special meeting or as otherwise may be required by Alabama law, the purpose for which the meeting is called. The notice shall be given either by mail or by presenting it to such shareholder personally or by leaving it at his residence or usual place of business.
State Anti-Takeover Statutes	The Tennessee Control Share Acquisition Act generally provides that, except as stated below, control shares will not have any voting rights. Control shares are shares acquired by a person under certain circumstances which, when added to other shares owned, would give such person effective control over one-fifth or more, or a majority of all voting power (to the extent such acquired shares cause such person to exceed one-fifth or one-third of all voting power) in the election of a Tennessee corporation s directors. However, voting rights will be restored to control shares by resolution approved by the affirmative vote of the holders of a majority of the corporation s voting stock, other than shares held by the owner of the control shares. If voting rights are granted to control shares which give the holder a majority of all voting power in the election of the corporation s directors, then the corporation s other shareholders may require the corporation to redeem their shares at fair value. The Tennessee Control Share Acquisition Act is not applicable to MAA because MAA s charter does not contain a specific provision opting in to the Tennessee Control Share Acquisition Act.	The AREITL does not have any anti-takeover provisions. Further, the Alabama Business Corporation Law, or ABCL, does not contain anti-takeover provisions.

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Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
The Tennessee Investor Protection Act, or TIPA, provides that unless a Tennessee corporation s board of directors has recommended a takeover offer to shareholders, no offeror beneficially owning 5% or more of any class of equity securities of the offeree company, any of which was purchased within the preceding year, may make a takeover offer for any class of equity security of the offeree company if after completion the offeror would be a beneficial owner of more than 10% of any class of outstanding equity securities of the company unless the offeror, before making such purchase: (i) makes a public announcement of his or her intention with respect to changing or influencing the management or control of the offeree company; (ii) makes a full, fair and effective disclosure of such intention to the person from whom he or she intends to acquire such securities; and (iii) files with the Tennessee Commissioner of Commerce and Insurance, or the Commissioner, and the offeree company a statement signifying such intentions and containing such additional information as the Commissioner prescribes.	
The offeror must provide that any equity securities of an offeree company deposited or tendered pursuant to a takeover offer may be withdrawn by an offeree at any time within 7 days from the date the offer has become effective following filing with the Commissioner and the offeree company and public announcement of the terms or after 60 days from the date the offer has become effective. If the takeover offer is for less than all the outstanding equity securities of any class, such an offer must also provide for acceptance of securities pro rata if the number of securities tendered is greater than the number the offeror has offered to accept and pay for. If such an offeror varies the terms of the takeover offer before its expiration date by increasing the consideration offered to offerees, the offeror must pay the increased consideration for all equity securities accepted, whether accepted before or after the variation in the terms of the offer.	

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Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
The TIPA does not apply to any offer involving a vote by holders of equity securities of the offeree company.	
The Tennessee Business Combination Act generally prohibits a business combination by MAA or a subsidiary with an interested shareholder within 5 years after the shareholder becomes an interested shareholder. MAA or a subsidiary can, however, enter into a business combination within that period if, before the interested shareholder became such, the MAA Board approved the business combination or the transaction in which the interested shareholder became an interested shareholder. After that 5-year moratorium, the business combination with the interested shareholder can be consummated only if it satisfies certain fair price criteria or is approved by 2/3 of the other shareholders.	
For purposes of the Tennessee Business Combination Act, a business combination includes mergers, share exchanges, sales and leases of assets, issuances of securities, and similar transactions. An interested shareholder is generally any person or entity that beneficially owns 10% or more of the voting power of any outstanding class or series of MAA stock.	
The Tennessee Greenmail Act applies to a Tennessee corporation that has a class of voting stock registered or traded on a national securities exchange or registered with the SEC pursuant to Section 12(g) of the Exchange Act. Under the Tennessee Greenmail Act, MAA may not purchase any of its shares at a price above the market value of such shares from any person who holds more than 3% of the class of securities to be purchased if such person has held such shares for less than 2 years, unless the purchase has been approved by the affirmative vote of a majority of the outstanding shares of each class of voting stock issued by MAA or MAA makes an offer, of at least equal value per share, to all shareholders of such class.	

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
Consideration of Other Constituencies	The Tennessee Business Combination Act provides that no corporation (nor its officers or directors) registered or traded on a national securities exchange or registered with the SEC shall be held liable for either having failed to approve the acquisition of shares by an interested shareholder on or before such interested shareholder s share acquisition date, or for opposing any proposed merger, exchange, tender offer or significant disposition of the assets of the corporation or any of its subsidiaries because of a good faith belief that such merger, exchange, tender offer or significant disposition of assets would adversely affect the corporation s employees, customers, suppliers, the communities in which such corporation or its subsidiaries operate or are located or any other relevant factor if such factors are permitted to be considered by the board of directors under the charter for such corporation in connection with a merger, exchange, tender offer or significant disposition of assets.	The AREITL does not address the consideration of other constituencies. The Colonial declaration of trust provides that in determining what is in the best interest of Colonial, a trustee will consider the interests of Colonial shareholders and applicable legal requirements, and in his or her sole discretion, may consider: (1) the interests of Colonial s employees, suppliers, creditors and customers; (2) the economy of the nation; (3) community and societal interests; and (4) the long-term as well as short-term interests of Colonial and Colonial shareholders, including the possibility that these interests may be best served by Colonial s continued independence.
	MAA s charter does not contain an opt-out provision, and therefore, the Tennessee Business Combination Act will apply.	
Shareholder Rights Plan	MAA does not have a shareholder rights plan in effect.	Colonial does not have a shareholder rights plan in effect.
Liability and Indemnification of Directors, Trustees and Officers	Under the TBCA, MAA may indemnify any director against liability incurred in connection with a proceeding if (i) the director acted in good faith, (ii) the director reasonably believed, in the case of conduct in his or her official capacity, that such conduct was in MAA s best interest, or, in all other cases, that his or her conduct was not opposed to the best interests of MAA and (iii) in connection with any criminal proceeding, the director had no reasonable cause to believe that his or her conduct was unlawful. In actions brought by or in the right of MAA, however, the TBCA provides that no indemnification may be made if the director or officer is adjudged to be liable to MAA. Similarly, the TBCA prohibits indemnification in connection with any	Under the AREITL, an Alabama real estate investment trust is permitted to expand or limit, by provision in its declaration of trust, the liability of trustees and officers to the trust and its shareholders for money damages except for liability resulting from: (1) actual receipt of an improper benefit or profit in money, property or services; or (2) acts or omissions established by a final judgment as involving active and deliberate dishonesty and being material to the matter giving rise to the proceeding. Colonial s declaration of trust includes such a provision eliminating such liability to the maximum extent permitted by the AREITL.
		The AREITL permits an Alabama real estate investment trust to indemnify and advance

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Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
proceeding charging improper personal benefit to a director, if such director is adjudged liable on the basis that a personal benefit was improperly received. In cases where the director is wholly successful, on the merits or otherwise, in the defense of any proceeding instigated because of his or her status as a director, the TBCA mandates that the corporation indemnify the director against reasonable expenses incurred in the proceeding. Notwithstanding the foregoing, the TBCA provides that a court of competent jurisdiction, upon application, may order that a director or officer be indemnified for reasonable expense if, in consideration of all relevant circumstances, the court determines that such individual is fairly and reasonably entitled to indemnification, whether or not the standard of conduct set forth above was met. Officers, employees and agents who are not directors are entitled to the same degree of indemnification afforded to directors.	expenses to its trustees, officers, employees and agents to the same extent as permitted by certain sections of the ABCL for directors and officers of Alabama corporations. Pursuant to the Colonial declaration of trust, Colonial shall indemnify its shareholders and other employees and agents to such extent as shall be authorized by the Colonial Board or the Colonial bylaws and as permitted by law. To the maximum extent permitted under Alabama law, in effect from time-to-time, and after a preliminary determination of the ultimate entitlement to indemnification has been made in accordance with ABCL, the Colonial bylaws require Colonial to indemnify:
MAA s charter provides that its directors shall not be liable to MAA or its shareholders for monetary damages for breach of fiduciary duty except for: (1) any breach of the director s duty of loyalty; (2) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law; or (3) unlawful distributions as provided in the TBCA.	any present or former trustee or officer or any individual who, while a trustee or officer, served or is serving as a trustee, officer, director, shareholder or partner of another entity at Colonial s express request, who has been successful, on the merits or otherwise, in the defense of a proceeding to which he was made a party by reason of service in such capacity, against reasonable expenses incurred by him in connection with the proceeding; and
MAA s charter provides that MAA shall indemnify and advance expenses to a director, officer, employee or agent to the fullest extent permitted under the TBCA.	any present or former trustee or officer or any individual who, while a trustee or officer, served or is serving as a trustee, officer, director, shareholder or partner of another entity at Colonial s express request, who is made a party to a proceeding by reason of service in such capacity, against reasonable expenses incurred by him in connection with the proceeding, if:
	he conducted himself in good faith;
	he reasonably believed:
	in the case of conduct in his official capacity with Colonial, that the conduct was in Colonial s best interest; or

in all other cases, that the conduct was at least not opposed to Colonial s best interests; and

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Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
	in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful, provided, however, that the indemnification provided for in this clause will not be available if it is established that:
	in connection with a proceeding by or in the right of Colonial, he was adjudged liable to Colonial; or
	in connection with any other proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, he was adjudged liable on the basis that personal benefit was improperly received by him.
	In addition, the Colonial bylaws require Colonial to pay or reimburse, in advance of final disposition of a proceeding, reasonable expenses incurred by a present or former trustee or officer made a party to a proceeding by reason of such status; provided:
	Colonial has received a written affirmation by the trustee or officer of his good faith belief that he has met the applicable standard of conduct necessary for indemnification by Colonial as authorized by the Colonial bylaws;
	Colonial has received a written undertaking by or on his behalf to repay the amount paid or reimbursed by Colonial if it is ultimately determined that the applicable standard of conduct was not met; and
	a determination is made, in accordance with Section 8.55 of the ABCL, that the facts then known to those making the determination would not preclude indemnification under the provisions of the bylaws.

Colonial may, with the approval of the trustees, provide such indemnification and payment or reimbursement of expenses to

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	Rights of MAA Shareholders (which will be the rights of shareholders of the Combined Corporation following the parent merger)	Rights of Colonial Shareholders
		any present or former trustee or officer who served a predecessor of Colonial and to any employee or agent of Colonial or a predecessor of Colonial.
Distributions	The MAA Board may authorize, and MAA may pay to shareholders, such dividends as the MAA Board in its absolute discretion shall determine after setting aside any funds deemed necessary by the board for creation of a reserve fund.	The Colonial declaration of trust provides that the Colonial Board may from time-to-time declare and pay to shareholders such dividends or distributions as the trustees shall determine in their discretion. The Colonial declaration of trust also provides that the trustees will endeavor to declare and pay distributions as necessary to qualify as a REIT under the Code; provided, however, that Colonial shareholders do not have any right to a distribution unless and until authorized and declared by the Colonial Board.
Dissenters Rights	The TBCA provides that a shareholder of a corporation is generally entitled to receive payment of the fair value of its stock if the shareholder dissents from transactions including a proposed merger, share exchange or a sale of substantially all of the assets of the corporation. However, dissenters rights generally are not available to holders of shares, such as shares of MAA common stock, that are registered on a national securities exchange or quoted on a national market security system.	The AREITL provides that each shareholder of an Alabama real estate investment trust objecting to a merger of the Alabama real estate investment trust shall have the same rights as an objecting shareholder of an Alabama business corporation under the ABCL and under the same procedures. The ABCL entitles a shareholder of an Alabama business corporation to dissent and obtain payment of the fair value of his or her shares, in the event of certain corporate actions including, without limitation, the consummation of a plan of merger to which the corporation is a party if shareholder approval is required for the merger by the statute or the articles of incorporation (or, in this case, the Colonial declaration of trust) and the shareholder is entitled to vote on the matter.
REIT Qualification	It is the duty of the MAA Board to ensure that MAA satisfies the requirements for qualification as a REIT. The MAA Board shall take no action to disqualify MAA as REIT or to otherwise revoke its election to be taxed as a REIT without the affirmative vote of 2/3rds of the number of shares of common stock entitled to vote on such a matter at a special meeting of MAA shareholders.	As set forth in the Colonial declaration of trust, the trustees will use their best efforts to carry out the fundamental investment policy of the trust and to conduct the affairs of the trust in such a manner as to continue to qualify the trust for the tax treatment provided in the REIT provisions of the Code. The Colonial declaration of trust provides that the Colonial Board may terminate the status of Colonial as a REIT, provided, the Colonial Board adopts and presents such a resolution at an annual or special meeting of the shareholders, and the resolution is approved by holders of a majority of the issued and outstanding Colonial common shares.

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SHAREHOLDER PROPOSALS

MAA 2014 Annual Shareholder Meeting and Shareholder Proposals

Shareholder proposals intended to be presented at the 2014 annual meeting of MAA shareholders must have been received by MAA no later than November 22, 2013 in order to be included in the proxy statement and form of proxy relating to that meeting, which will be the annual meeting the Combined Corporation shareholders in the event the mergers are completed on the expected timetable. In order to be included in the proxy statement, such proposals must comply with the requirements as to form and substance established by the SEC for such proposals. A shareholder who wishes to make a proposal at the MAA annual meeting without submitting the proposal in the proxy statement and form of proxy relating to that meeting must comply with the notice and other requirements set forth in the MAA bylaws. Pursuant to the current MAA bylaws, that notice must have been submitted in writing and delivered to the secretary of MAA between January 21, 2014 and February 20, 2014.

Colonial 2014 Annual Shareholder Meeting and Shareholder Proposals

If the mergers are completed on the expected timetable, Colonial does not intend to hold a 2014 annual meeting of its shareholders. If, however the mergers are not completed and the Colonial 2014 annual meeting is held, shareholder proposals intended to be presented at the meeting must have been received by Colonial no later than November 13, 2013 in order to be considered for inclusion in the proxy statement and form of proxy relating to that meeting. In order to be included in the proxy statement, such proposals must comply with the requirements as to form and substance established by the SEC for such proposals. A shareholder who wishes to make a proposal at the Colonial annual meeting without submitting the proposal in the proxy statement and form of proxy relating to that meeting must comply with the notice and other requirements set forth in the bylaws of Colonial. Pursuant to the current bylaws of Colonial, that notice must have been submitted in writing and delivered to the secretary of Colonial between January 24, 2014 and February 23, 2014.

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LEGAL MATTERS

It is a condition to the mergers that MAA and Colonial receive opinions from Goodwin Procter LLP and Hogan Lovells US LLP, respectively, concerning the U.S. federal income tax consequences of the parent merger. Certain matters of Tennessee law, including the validity of the shares of MAA offered by this joint proxy statement/prospectus, will be passed upon by Baker, Donelson, Bearman, Caldwell & Berkowitz, PC.

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EXPERTS

The consolidated financial statements of Mid-America Apartment Communities, Inc. appearing in Mid-America Apartment Communities, Inc. s Annual Report (Form 10-K) for the year ended December 31, 2012 (including the schedule appearing therein), and the effectiveness of Mid-America Apartment Communities, Inc. s internal control over financial reporting as of December 31, 2012, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The statements of revenues and certain operating expenses of certain acquired properties, appearing in the MAA Current Report on Form 8-K filed with the SEC on March 22, 2013 and containing information under items 2.01 and 9.01 of such form (being the second of two Current Reports on Form 8-K filed by MAA on March 22, 2013) have been audited by Watkins Uiberall, PLLC, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated in this joint proxy statement/registration statement by reference. Such statements of revenues and certain operating expenses are incorporated by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements, and the related financial statement schedules, incorporated in this joint proxy statement/prospectus by reference from Colonial s Current Report on Form 8-K dated August 21, 2013, and the effectiveness of Colonial s internal control over financial reporting incorporated by reference from Colonial s Annual Report on Form 10-K as of and for the year ended December 31, 2012, have been audited by Deloitte & Touche LLP, independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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WHERE YOU CAN FIND MORE INFORMATION

MAA and Colonial each file annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy any of this information at the SEC s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. The SEC also maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers, including MAA and Colonial, who file electronically with the SEC. The address of that site is *www.sec.gov*.

Investors may also consult MAA s or Colonial s website for more information about MAA or Colonial, respectively. MAA s website is *www.maac.com*. Colonial s website is *www.colonialprop.com*. Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

MAA has filed with the SEC a registration statement of which this joint proxy statement/prospectus forms a part. The registration statement registers the shares of MAA common stock to be issued to Colonial shareholders in connection with the parent merger. The registration statement, including the exhibits and schedules thereto, contains additional relevant information about MAA common stock. The rules and regulations of the SEC allow MAA and Colonial to omit certain information included in the registration statement from this joint proxy statement/prospectus.

In addition, the SEC allows MAA and Colonial to disclose important information to you by referring you to other documents filed separately with the SEC. This information is considered to be a part of this joint proxy statement/prospectus, except for any information that is superseded by information included directly in this joint proxy statement/prospectus. This joint proxy statement/prospectus contains summaries of certain provisions contained in some of the MAA or Colonial documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by reference to the actual documents.

This joint proxy statement/prospectus incorporates by reference the documents listed below that MAA has previously filed with the SEC; *provided*, *however*, that we are not incorporating by reference, in each case, any documents, portions of documents or information deemed to have been furnished and not filed in accordance with SEC rules. The documents listed below contain important information about MAA, its financial condition or other matters.

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

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013.

Current Reports on Form 8-K, filed on February 22, 2013, February 25, 2013, March 15, 2013, March 22, 2013 (two Current Reports), May 23, 2013, May 24, 2013, June 3, 2013 (two Current Reports), June 18, 2013, August 2, 2013 and August 9, 2013 (other than documents or portions of those documents not deemed to be filed).

Proxy Statement for MAA s 2013 Annual Meeting of Shareholders, on Schedule 14A filed with the SEC on March 22, 2013.

In addition, MAA incorporates by reference herein any filings it makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement that contains this joint proxy statement/prospectus and prior to the effectiveness of this joint proxy statement/prospectus and any future filings it makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this joint proxy statement/prospectus and prior to the effective date of the mergers. Such documents are considered to be a part of this joint proxy statement/prospectus, effective as of the date such documents are filed. In the event of conflicting information in these documents, the information in the latest filed document should be considered correct.

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You can obtain any of the documents listed above from the SEC, through the SEC s website at the address described above or from MAA by requesting them in writing or by telephone at the following address:

Mid-America Apartment Communities, Inc.

Attention: Investor Relations Department

6584 Poplar Avenue

Memphis, Tennessee 38138

Telephone: (901) 682-6600

These documents are available from MAA without charge, excluding any exhibits to them unless the exhibit is specifically listed as an exhibit to the registration statement of which this joint proxy statement/prospectus forms a part.

This joint proxy statement/prospectus also incorporates by reference the documents listed below that Colonial has previously filed with the SEC; *provided*, *however*, that we are not incorporating by reference, in each case, any documents, portion of documents or information deemed to have been furnished and not filed in accordance with SEC rules. The documents listed below contain important information about Colonial, its financial condition or other matters.

Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (excluding Items 6, 7 and 8).

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013.

Current Reports on Form 8-K, filed on January 7, 2013, January 29, 2013, February 1, 2013, April 29, 2013, June 3, 2013 (two Current Reports), June 6, 2013, July 11, 2013 and August 21, 2013 (other than documents or portions of those documents not deemed to be filed).

Proxy Statement for Colonial s 2013 Annual Meeting of Shareholders, on Schedule 14A filed with the SEC on March 13, 2013.

In addition, Colonial incorporates by reference any filings it makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement that contains this joint proxy statement/prospectus and prior to the effectiveness of this joint proxy statement/prospectus and any future filings it makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this joint proxy statement/prospectus and prior to the date of the Colonial special meeting. Such documents are considered to be a part of this joint proxy statement/prospectus, effective as of the date such documents are filed. In the event of conflicting information in these documents, the information in the latest filed document should be considered correct.

You can obtain any of these documents from the SEC, through the SEC s website at the address described above, or Colonial will provide you with copies of these documents, without charge, upon written or oral request to:

Colonial Properties Trust

Attention: Investor Relations

2101 Sixth Avenue North, Suite 750

Birmingham, Alabama 35203

Telephone: (800) 645-3917

If you are a shareholder of MAA or a shareholder of Colonial and would like to request documents, please do so by September 18, 2013 to receive them before the MAA special meeting or the Colonial special meeting, as applicable. If you request any documents from MAA or Colonial, MAA or Colonial, as applicable, will mail them to you by first class mail, or another equally prompt means, within one business day after MAA or Colonial receives your request.

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If you have any questions about the mergers or how to submit your proxy, or you need additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions, you can also contact D.F. King & Co., Inc., MAA s proxy solicitor, or Morrow & Co., Colonial s proxy solicitor, at the following addresses and telephone numbers:

If you are a MAA shareholder:	If you are a Colonial shareholder:
D.F. King & Co., Inc.	Morrow & Co., LLC
48 Wall Street	470 West Avenue
New York, NY 10005	Stamford, CT 06902
Telephone:	Telephone:
Banks and brokers: (212) 269-5550	Banks and brokers: (203) 658-9400
Shareholders: (800) 628-8532	Shareholders: (800) 460-1014

This document is a prospectus of MAA and is a joint proxy statement of MAA and Colonial for the MAA special meeting and the Colonial special meeting. Neither MAA nor Colonial has authorized anyone to give any information or make any representation about the mergers or MAA or Colonial that is different from, or in addition to, that contained in this joint proxy statement/prospectus or in any of the materials that MAA or Colonial has incorporated by reference into this joint proxy statement/prospectus. Therefore, if anyone does give you information of this sort, you should not rely on it. The information contained in this joint proxy statement/prospectus speaks only as of the date of this joint proxy statement/prospectus unless the information specifically indicates that another date applies.

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FINANCIAL INFORMATION

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MID-AMERICA APARTMENT COMMUNITIES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Introduction

On June 3, 2013 Mid-America Apartment Communities, Inc., or MAA, and Colonial Properties Trust, or Colonial, and certain of their respective affiliates, entered into a definitive agreement and plan of merger, which is referred to as the merger agreement, pursuant to which MAA and Colonial will combine through a merger of Colonial with and into MAA, with MAA surviving the merger, which is referred to as the parent merger.

Under the terms of the merger agreement, each Colonial common share will be converted automatically into the right to receive 0.360 of a newly issued share of MAA common stock. Following the parent merger, continuing MAA shareholders will hold approximately 56 percent of the issued and outstanding shares of common stock of the Combined Corporation and former Colonial shareholders will hold approximately 44 percent. The parent merger is subject to customary closing conditions, including receipt of the approval of both the MAA and Colonial shareholders, among other things. The transactions contemplated by the merger agreement, including the parent merger, are expected to close October 1, 2013.

The following unaudited pro forma consolidated financial statements are based on MAA s historical consolidated financial statements and Colonial s historical consolidated financial statements, each incorporated by reference in this joint proxy statement/prospectus, and have been adjusted in the statements below to give effect to the parent merger transaction. The unaudited pro forma combined statements of operations for the six months ended June 30, 2013 and the twelve months ended December 31, 2012 give effect to the parent merger as if it had occurred on January 1, 2012, the beginning of the earliest period presented. The unaudited pro forma combined balance sheet as of June 30, 2013 gives effect to the parent merger as if it had occurred on June 30, 2013. The historical consolidated financial statements of Colonial have been adjusted to reflect certain reclassifications in order to conform to MAA s financial statement presentation.

The unaudited pro forma consolidated financial statements were prepared using the acquisition method of accounting with MAA considered the acquirer of Colonial. See Accounting Treatment of the Mergers. Under the acquisition method of accounting, the purchase price is allocated to the underlying Colonial tangible and intangible assets acquired and liabilities assumed based on their respective fair market values with the excess purchase price, if any, allocated to goodwill.

The pro forma adjustments and the purchase price allocation as presented are based on estimates and certain information that is currently available. The total consideration for the parent merger and the assignment of fair values to Colonial s assets acquired and liabilities assumed has not been finalized, is subject to change, could vary materially from the actual amounts at the time the parent merger is completed, and has not identified all adjustments necessary to conform Colonial s accounting policies to MAA s accounting policies. A final determination of the fair value of Colonial s assets and liabilities, including intangible assets with both indefinite or finite lives, will be based on the actual net tangible and intangible assets and liabilities of Colonial that exist as of the closing date of the parent merger and, therefore, cannot be made prior to the completion of the parent merger. In addition, the value of the consideration to be paid by MAA upon the consummation of the parent merger will be determined based on the closing price of MAA s common stock on the closing date of the parent merger. As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analyses are performed. The preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma consolidated financial statements presented below. MAA estimated the fair value of Colonial s assets and liabilities based on discussions with Colonial s management, preliminary valuation studies, due diligence and information presented in Colonial s public filings. Until the parent merger is completed, both companies are limited in their ability to share certain information. Upon completion of the parent merger, final valuations will be performed. Any increases or decreases in the fair value of relevant balance sheet amounts upon completion of the final valuations

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will result in adjustments to the pro forma balance sheet and/or statements of operations. The final purchase price allocation may be different than that reflected in the pro forma purchase price allocation presented herein, and this difference may be material.

The aggregate purchase price for financial statement purposes will be based on the actual closing price per share of MAA common stock on the closing date, which could differ materially from the assumed value disclosed in the notes to the unaudited pro forma consolidated financial statements. If the actual closing price per share of MAA common stock on the closing date is higher than the assumed amount, it is expected that the final purchase price will be higher; conversely, if the actual closing price is lower, it is expected that the final purchase price will be lower. A hypothetical 10% change in MAA s closing stock price on the closing date of the parent merger would have an approximate $211 million impact on the purchase price and subsequent goodwill balance, if any.

Assumptions and estimates underlying the unaudited adjustments to the unaudited pro forma consolidated financial statements are described in the accompanying notes. The historical consolidated financial statements have been adjusted in the unaudited pro forma consolidated financial statements to give effect to pro forma events that are: (1) directly attributable to the parent merger, (2) factually supportable, and (3) expected to have a continuing impact on the results of operations of the Combined Corporation following the parent merger. This information is presented for illustrative purposes only and is not indicative of the combined operating results or financial position that would have occurred if such transactions had occurred on the dates and in accordance with the assumptions described below, nor is it indicative of future operating results or financial position.

The unaudited pro forma consolidated financial statements, although helpful in illustrating the financial characteristics of the Combined Corporation under one set of assumptions, do not reflect the benefits of expected cost savings (or associated costs to achieve such savings), opportunities to earn additional revenue, or other factors that may result as a consequence of the parent merger and do not attempt to predict or suggest future results. Specifically, the unaudited pro forma combined statements of operations exclude projected operating efficiencies and synergies expected to be achieved as a result of the parent merger. The projected operating synergies are expected to include approximately $25 million in combined annual cost synergies. The unaudited pro forma consolidated financial statements also exclude the effects of costs associated with any restructuring or integration activities or asset dispositions resulting from the parent merger as they are currently not known, and to the extent they occur, are expected to be non-recurring and will not have been incurred at the closing date of the parent merger. However, such costs could affect the combined company following the parent merger in the period the costs are incurred or recorded. Further, the unaudited pro forma consolidated financial statements do not reflect the effect of any regulatory actions that may impact the results of the combined company following the parent merger.

The unaudited pro forma consolidated financial statements have been developed from and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma consolidated financial statements;
- the historical audited consolidated financial statements of MAA as of and for the year ended December 31, 2012, included in MAA s Form 10-K, and the historical unaudited consolidated financial statements as of and for the six months ended June 30, 2013, included in MAA s Form 10-Q, both of which are incorporated by reference in this document;
- the historical audited consolidated financial statements of Colonial as of and for the year ended December 31, 2012, included in Colonial s Current Report on Form 8-K dated August 21, 2013, and the historical unaudited consolidated financial statements as of and for the six months ended June 30, 2013, included in Colonial s Form 10-Q, both of which are incorporated by reference in this document; and
- other information relating to MAA and Colonial contained in or incorporated by reference into this document. See Where You Can Find More Information, Selected Historical Financial Information of MAA and Selected Historical Financial Information of Colonial.

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MID-AMERICA APARTMENT COMMUNITIES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

JUNE 30, 2013

(Dollars in thousands)

	MAA Historical (A)	Colonial Historical (A)	Pro Forma Adjustments		MAA Pro Forma
Assets:					
Real estate assets:					
Land	$ 396,734	$ 412,387	$ 74,182	**(B)**	$ 883,303
Buildings and improvements	3,237,281	2,653,469	121,681	**(B)**	6,012,431
Furniture, fixtures and equipment	100,513	187,346	(11,940)	**(B)**	275,919
Development and capital improvements in progress	47,662	91,235	(12,065)	**(B)**	126,832
	3,782,190	3,344,437	171,858		7,298,485
Less accumulated depreciation	(1,051,801)	(762,463)	762,463	**(C)**	(1,051,801)
	2,730,389	2,581,974	934,321		6,246,684
Land held for future development	5,450	198,410	(99,253)	**(B)**	104,607
Commercial properties, net	7,880	108,992	(31,210)	**(B)**	85,662
Investments in real estate joint ventures	3,178	4,379	868	**(D)**	8,425
Real estate assets, net	2,746,897	2,893,755	804,726		6,445,378
Cash and cash equivalents	8,792	20,944			29,736
Restricted cash	12,989	10,212			23,201
Deferred financing costs, net	12,492	11,587	(11,587)	**(E)**	12,492
Accounts Receivable	13,949	24,760			38,709
Notes Receivable		41,962			41,962
Other assets	29,111	38,495	89,016	**(F)**	156,622
Goodwill	4,106				4,106
Assets held for sale	5,881	41,279	8,075	**(G)**	55,235
Total assets	$ 2,834,217	$ 3,082,994	$ 890,230		$ 6,807,441
Liabilities and Shareholders Equity:					
Liabilities:					
Secured notes payable	$ 1,106,541	$ 690,284	$ 76,530	**(H)**	$ 1,873,355
Unsecured notes payable	585,000	957,043	20,713	**(H)**	1,562,756
Accounts payable	10,085	32,388			42,473
Fair market value of interest rate swaps	11,907	14,301			26,208
Accrued Expenses	42,556	56,331	25,608	**(I)**	124,495
Other liabilities	53,728	14,083			67,811
Security deposits	6,934	2,453			9,387
Liabilities associated with assets held for sale	148				148
Total liabilities	1,816,899	1,766,883	122,851		3,706,633
Redeemable Stock/noncontrolling interest	5,521	179,576	(179,576)	**(J)**	5,521
Shareholders equity:					

Common stock	427	943	(597)	**(J)**	773
Additional paid-in capital	1,569,090	1,965,196	19,198	**(J)**	3,553,484
Accumulated distributions in excess of net income	(582,884)	(665,530)	665,530	**(J)**	
			(25,608)	**(I)**	(608,492)
Treasury Stock		(150,163)	150,163	**(J)**	
Accumulated other comprehensive losses	(6,336)	(14,093)	14,093	**(J)**	(6,336)
Total MAA shareholders equity	980,297	1,136,353	822,779		2,939,429
Noncontrolling interest	31,500	182	124,176	**(K)**	155,858
Total equity	1,011,797	1,136,535	946,955		3,095,287
Total liabilities and equity	$ 2,834,217	$ 3,082,994	$ 890,230		$ 6,807,441

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MID-AMERICA APARTMENT COMMUNITIES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2013

(Dollars in thousands, except per share data)

	MAA Historical	Colonial Historical (A)	Pro Forma Adjustments		MAA Pro Forma
Operating revenues:					
Rental revenues	$ 243,008	$ 163,407	$ (165)	**(L)**	$ 406,250
Other property revenues	21,029	36,451			57,480
Total property revenues	264,037	199,858	(165)		463,730
Management fee income	319	304			623
Total operating revenues	264,356	200,162	(165)		464,353
Property operating expenses					
Personnel	29,027	19,154			48,181
Building repairs and maintenance	7,147	8,906			16,053
Real estate taxes and insurance	31,720	24,938			56,658
Utilities	13,677	16,142			29,819
Landscaping	5,819	4,038			9,857
Other operating	17,759	5,695			23,454
Depreciation and amortization	65,406	62,653	4,987	**(M)**	133,046
Total property operating expenses	170,555	141,526	4,987		317,068
Acquisition expense	499	8			507
Property management expenses	10,777	9,311			20,088
General and administrative expenses	6,628	9,306		**(N)**	15,934
Merger related expenses	5,737	1,705			7,442
Income from continuing operations before non-operating items	70,160	38,306	(5,152)		103,314
Interest and other non-property income	70	930			1,000
Interest expense	(30,906)	(43,194)	8,153	**(O)**	(65,947)
Loss on debt extinguishment/modification	(169)				(169)
Amortization of deferred financing costs	(1,607)	(2,759)	2,759	**(P)**	(1,607)
Impairment, legal contingencies, and other losses		(1,002)			(1,002)
Net casualty gain after insurance and other settlement proceeds	455	25			480
Income (loss) from continuing operations before gain from real estate joint ventures	38,003	(7,694)	5,760		36,069
Gain from real estate joint ventures	101	2,998	46	**(Q)**	3,145
Income (loss) from continuing operations	38,104	(4,696)	5,806		39,214
Net income (loss) from continuing operations attributable to noncontrolling interests	1,409	154	573	**(R)**	2,136
Net income (loss) from continuing operations available for MAA common shareholders	$ 36,695	$ (4,850)	$ 5,233		$ 37,078
Weighted average common shares outstanding basic	42,523	87,958		**(S)**	74,391

Weighted average common shares outstanding diluted		44,294		87,958		**(S)**		79,286
Net income (loss) from continuing operations per share attributable to common shares basic	$	0.86	$	(0.06)		**(S)**	$	0.50
Net income (loss) from continuing operations per share attributable to common shares diluted	$	0.86	$	(0.06)		**(S)**	$	0.49

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MID-AMERICA APARTMENT COMMUNITIES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

(Dollars in thousands, except per share data)

	MAA Historical	Colonial Historical (A)	Pro Forma Adjustments		MAA Pro Forma
Operating revenues:					
Rental revenues	$ 456,202	$ 304,364	$ (329)	**(T)**	$ 760,237
Other property revenues	40,064	58,787			98,851
Total property revenues	496,266	363,151	(329)		859,088
Management fee income	899	5,696			6,595
Total operating revenues	497,165	368,847	(329)		865,683
Property operating expenses					
Personnel	57,190	35,796			92,986
Building repairs and maintenance	15,957	18,228			34,185
Real estate taxes and insurance	56,907	41,742			98,649
Utilities	27,248	31,878			59,126
Landscaping	11,163	7,436			18,599
Other operating	34,861	17,460			52,321
Depreciation and amortization	126,136	117,004	85,328	**(U)**	328,468
Total property operating expenses	329,462	269,544	85,328		684,334
Acquisition expense	1,581	1,285			2,866
Property management expenses	22,084	12,858			34,942
General and administrative expenses	13,762	22,615		**(V)**	36,377
Income from continuing operations before non-operating items	130,276	62,545	(85,657)		107,164
Interest and other non-property income	430	2,468			2,898
Interest expense	(58,751)	(92,085)	15,514	**(W)**	(135,322)
Loss on debt extinguishment/modification	(654)				(654)
Amortization of deferred financing costs	(3,552)	(5,697)	5,697	**(X)**	(3,552)
Impairment, legal contingencies, and other losses		(22,762)			(22,762)
Net casualty loss after insurance and other settlement proceeds	(6)				(6)
Gain (loss) on sale of non-depreciable assets	45	(4,306)			(4,261)
Income (loss) from continuing operations before (loss) gain from real estate joint ventures	67,788	(59,837)	(64,446)		(56,495)
(Loss) gain from real estate joint ventures	(223)	31,862	92	**(Y)**	31,731
Income (loss) from continuing operations	67,565	(27,975)	(64,354)		(24,764)
Net income (loss) from continuing operations attributable to noncontrolling interests	2,744	(2,065)	(2,100)	**(Z)**	(1,421)
Net income (loss) from continuing operations available for MAA common shareholders	64,821	$ (25,910)	$ (62,254)		$ (23,343)
Weighted average common shares outstanding basic	41,039	87,251		**(AA)**	72,450

Weighted average common shares outstanding diluted	42,937	87,251	**(AA)**		72,450
Net income (loss) from continuing operations per share attributable to common shares basic	$ 1.58	$ (0.30)	**(AA)**	$	(0.32)
Net income (loss) from continuing operations per share attributable to common shares diluted	$ 1.57	$ (0.30)	**(AA)**	$	(0.32)

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MID-AMERICA APARTMENT COMMUNITIES, INC.

NOTES TO UNAUDITED PRO FORMA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1:

Overview

For purposes of the unaudited pro forma consolidated financial statements (the pro forma financial statements), we have assumed a total preliminary purchase price for the parent merger of approximately $2.1 billion, which consists of shares of MAA common stock and Class A common units, or new MAA LP units, issued in exchange for Colonial LP units. Under the terms of the merger agreement, the transaction is currently valued at $21.97 per Colonial share/Colonial LP unit, based on the closing price of MAA s common stock on August 16, 2013. Each issued and outstanding share of Colonial common stock will receive 0.360 of a share of MAA common stock totaling a maximum aggregate number of MAA common shares of approximately 32 million shares. In addition to the common shares, the transaction will also result in approximately 2.6 million additional new MAA LP units from the conversion of Colonial LP units into new MAA LP units using the 0.360 conversion rate noted above. We estimate that the MAA stock price represents the fair value of the new MAA LP units.

The pro forma financial statements have been prepared assuming the parent merger is accounted for using the acquisition method of accounting under U.S. GAAP (which we refer to as acquisition accounting) with MAA as the acquiring entity. Accordingly, under acquisition accounting, the total estimated purchase price is allocated to the acquired net tangible and identifiable intangible assets and liabilities assumed of Colonial based on their respective fair values, as further described below.

To the extent identified, certain reclassifications have been reflected in the pro forma adjustments to conform Colonial s financial statement presentation to that of MAA, as described in Note 2. However, the unaudited pro forma financial statements may not reflect all adjustments necessary to conform the accounting policies of Colonial to those of MAA due to limitations on the availability of information as of the date of this joint proxy statement/prospectus.

The pro forma adjustments represent MAA management s estimates based on information available as of the date of this joint proxy statement/prospectus and are subject to change as additional information becomes available and additional analyses are performed. The pro forma financial statements do not reflect the impact of possible revenue or earnings enhancements, cost savings from operating efficiencies or synergies, or asset dispositions. Also, the pro forma financial statements do not reflect possible adjustments related to restructuring or integration activities that have yet to be determined or transaction or other costs following the parent merger that are not expected to have a continuing impact. Further, one-time transaction-related expenses anticipated to be incurred prior to, or concurrent with, closing the parent merger are not included in the pro forma statements of operations.

The pro forma statements of operations for the year ended December 31, 2012 and for the six months ended June 30, 2013 combine the historical consolidated statements of operations of MAA and Colonial, giving effect to the parent merger as if it had been consummated on January 1, 2012, the beginning of the earliest period presented. The pro forma balance sheet combines the historical consolidated balance sheet of MAA and the historical consolidated balance sheet of Colonial as of June 30, 2013, giving effect to the parent merger as if it had been consummated on June 30, 2013.

Completion of the parent merger is subject to, among other things, approval by the shareholders of both companies. As of the date of this joint proxy statement/prospectus, the parent merger is expected to be completed October 1, 2013.

Preliminary Estimated Purchase Price

The total preliminary estimated purchase price of approximately $2.1 billion was determined based on the number of Colonial s shares of common stock and Colonial LP units, as of August 16, 2013. For purposes of the

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MID-AMERICA APARTMENT COMMUNITIES, INC.

NOTES TO UNAUDITED PRO FORMA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

pro forma financial statements, such common stock and Colonial LP units are assumed to remain outstanding as of the closing date of the parent merger. Further, no effect has been given to any other new shares of common stock or Colonial LP units that may be issued or granted subsequent to the date of this joint proxy statement/prospectus and before the closing date of the parent merger. In all cases in which MAA s closing stock price is a determining factor in arriving at final consideration for the parent merger, the stock price assumed for the total preliminary purchase price is the closing price of MAA s common stock on August 16, 2013 ($61.04 per share), the most recent date practicable in the preparation of this joint proxy statement/prospectus.

The purchase price will be computed using the closing price of MAA common stock on the closing date; therefore, the actual purchase price will fluctuate with the market price of MAA common stock until the parent merger is consummated. As a result, the final purchase price could differ significantly from the current estimate, which could materially impact the pro forma financial statements. For more information regarding the consideration exchanged in the parent merger, see The Merger Agreement Merger Consideration; Effects of the Parent Merger and the Partnership Merger.

The following table presents the changes to the value of stock consideration and the total preliminary purchase price based on a 10% increase and decrease in the per share price of MAA common stock (in thousands, except per share data):

	Price of MAA Common Stock	Consideration Given (MAA Shares and Units to be Issued)	Calculated Value of Consideration
As of August 16, 2013	$ 61.04	34,553	$ 2,109,098
Decrease of 10%	$ 54.94	34,553	$ 1,898,189
Increase of 10%	$ 67.14	34,553	$ 2,320,008

The total preliminary estimated purchase price described above has been allocated to Colonial s tangible and intangible assets acquired and liabilities assumed for purposes of these pro forma financial statements, based on their estimated relative fair values assuming the parent merger was completed on the pro forma balance sheet date presented. The final allocation will be based upon valuations and other analyses for which there is currently insufficient information to make a definitive allocation. Accordingly, the purchase price allocation adjustments are preliminary and have been made solely for the purpose of providing pro forma financial statements. The final purchase price allocation will be determined after the parent merger is consummated and after completion of a thorough analysis to determine the fair value of Colonial s tangible assets and liabilities, including fixed assets and identifiable intangible assets and liabilities. As a result, the final acquisition accounting adjustments, including those resulting from conforming Colonial s accounting policies to those of MAA, could differ materially from the pro forma adjustments presented herein. The total preliminary purchase price was allocated as follows, based on Colonial s historical unaudited consolidated Balance Sheet as of June 30, 2013 (in thousands):

Asset/Liability	Book Value	Fair Value Adjustment	Total Value
Real estate assets, net	$ 2,893,755	$ 804,726	$ 3,698,481
Lease intangible assets	378	94,529	94,907
Cash and cash equivalents	20,944	0	20,944
Deferred costs, assets held for sale, and other assets, excluding lease intangible assets	167,917	(9,025)	158,892
Notes payable	(1,647,327)	(97,243)	(1,744,570)
Fair market value of interest rate swaps	(14,301)	0	(14,301)
Accounts payable, accrued expenses, and other liabilities	(105,255)	(0)	(105,255)

Total Preliminary Purchase Price	$ 2,109,098

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MID-AMERICA APARTMENT COMMUNITIES, INC.

NOTES TO UNAUDITED PRO FORMA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 2:

(A) The Colonial historical amounts include the reclassifications of certain balances in order to conform to MAA presentation as noted below:

Balance Sheet

The components of fixed assets were combined in Land, buildings, and equipment. These balances have been reclassified into the separate components titled Land, Buildings and improvements, Furniture, fixtures and equipment, Land held for future development, and Commercial properties, net.

The carrying value of hedging instruments was classified as a component of Other liabilities. This balance has been reclassified into Fair market value of interest rate swaps.

Statement of Operations

The components of property operating expense were combined into the line item titled Property operating expense. These balances have been reclassified into separate components titled Personnel, Building repairs and maintenance, Utilities, Landscaping, and Other operating expenses.

The expenses that make up the balance on the line titled Impairment, legal contingencies, and other losses were included as a component of Operating income. These expenses have been reclassified to Non-operating income.

Colonial s historical Statement of Operations for the year ended December 31, 2012 was recast to reclassify the results of operations for certain disposed properties from continuing operations to discontinued operations. The recast Statement of Operations was filed by Colonial on Form 8-K on August 21, 2013.

Certain MAA historical balances were also reclassified in order to present in the form that the combined company will present as noted below:

Balance Sheet

A component of Other assets has been reclassified into a separate component, reclassifying $13.9 million to Accounts receivable.

Balance Sheet Adjustments

(B) The real estate assets of Colonial have been adjusted to their estimated fair values as of June 30, 2013. A third party service provider was used to estimate the fair value generally by applying a capitalization rate to estimated net operating income, using recent third party appraisals, or other available market data. The preliminarily estimated purchase price allocation was performed using the closing stock price of MAA on August 16, 2013.

(C) Colonial s historical accumulated depreciation is eliminated since the assets were presented at estimated fair value.

(D) Colonial s investments in real estate joint ventures have been adjusted to their estimated fair value as of June 30, 2013, using valuation techniques similar to those used to estimate the fair value of wholly-owned assets as discussed in (B) above. A fair market value of debt adjustment for debt held by the joint ventures is included. Fair value was estimated based on contractual future cash flows discounted using borrowing spreads and market interest rates that would have been available for debt with similar terms and maturities.

(E) Colonial s historical deferred financing costs of $11.6 million, net, are eliminated.

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MID-AMERICA APARTMENT COMMUNITIES, INC.

NOTES TO UNAUDITED PRO FORMA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(F) Other assets adjustment includes $92.9 million for acquisition of acquired in place leases, primarily related to commercial property, $1.6 million for leases that have above market rents, and $5.5 million for the elimination of Colonial straight line rent receivable. The estimated fair value of in place leases was calculated based upon the best estimate of the costs to obtain tenants, primarily leasing commissions, in each applicable market. An asset or liability is recognized for acquired leases with favorable or unfavorable rents based on our best estimates of current rents in each market.

(G) Colonial s assets held for sale are adjusted to reflect the assets at their estimated fair values less costs to sell.

(H) The debt balances of Colonial have been adjusted to reflect the estimated fair value at June 30, 2013. Fair value was estimated based on contractual future cash flows discounted using borrowing spreads and market interest rates that would have been available for debt with similar terms and maturities. Fair value also includes transfer fees paid to assume the debt.

(I) Adjustment represents estimated transaction costs anticipated to be paid by MAA and Colonial prior to or concurrent with the closing of the parent merger of approximately $25.6 million, consisting primarily of fees for investment bankers, legal, accounting, tax, and certain filings to be paid to third parties based on actual expenses incurred to date and each party s best estimate of its remaining fees as provided to MAA and Colonial. The adjustment does not include costs related to equity or debt financing and severance plans.

(J) Adjustment represents the elimination of all historical Colonial balances and the issuance of MAA common stock in the parent merger using a value of $61.04 per share as of August 16, 2013.

(K) The adjustment to noncontrolling interest represents the allocation of equity to the limited partnership unitholders based on the estimated fair value assumptions above.

Statement of Operations Adjustments June 30, 2013

(L)