

FEDERAL REALTY INVESTMENT TRUST

Form 424B5

December 07, 2017

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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-203999

**The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission and is effective. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED DECEMBER 7, 2017**

**PROSPECTUS SUPPLEMENT**

**(TO PROSPECTUS DATED MAY 8, 2015)**

\$

**3.25% Notes due 2027**

We are offering \$ \_\_\_\_\_ aggregate principal amount of our 3.25% Notes due 2027. The notes offered hereby consist of an additional issuance of our 3.25% Notes due 2027, \$300 million aggregate principal amount of which were previously issued and are outstanding. The notes offered hereby will become part of the same series as the outstanding 3.25% Notes due 2027 for all purposes and are referred to herein, together with such outstanding notes, as the notes.

The notes bear interest at the rate of 3.25% per year. Interest on the notes is payable on January 15 and July 15 of each year, beginning on January 15, 2018. The notes will mature on July 15, 2027 (unless redeemed prior to such date in accordance with their terms) . We may redeem some or all of the notes at any time before maturity at the applicable redemption price discussed under the caption Description of Notes Optional Redemption.

The notes are our senior unsecured obligations and rank equally with all of our other unsecured and unsubordinated indebtedness. The notes are effectively subordinated to the prior claims of each secured mortgage lender to any specific property that secures such lender's mortgage and to all of the unsecured indebtedness of our subsidiaries.

We do not intend to apply to list the notes on any securities exchange. An active trading market for the notes may not be maintained.

**Investing in the notes involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement, on page 5 of the accompanying prospectus and in our Annual Report on Form 10-K for the year ended**

December 31, 2016, filed with the Securities and Exchange Commission, or the SEC, on February 13, 2017.

	<b>Per Note</b>	<b>Total</b>
Public offering price <sup>(1)</sup>	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to us <sup>(1)</sup>	%	\$

<sup>(1)</sup> Plus accrued interest from and including June 23, 2017 (the date of issuance of the \$300 million aggregate principal amount of notes currently outstanding) to, but not including, the issuance date of the notes offered hereby, in the amount of \$ . This accrued interest must be paid by purchasers of the notes.

The underwriters expect to deliver the notes offered hereby to purchasers in book-entry only form through the facilities of The Depository Trust Company on or about December , 2017.

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

#### **Joint Book-Running Managers**

**BofA Merrill Lynch    Deutsche Bank Securities    Goldman Sachs & Co. LLC    Wells Fargo Securities**

**The date of this prospectus supplement is December , 2017.**

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

You should carefully read this prospectus supplement along with the accompanying prospectus, as well as the information incorporated by reference herein and therein, before you invest in the notes. These documents contain important information you should consider before making your investment decision. This prospectus supplement and the accompanying prospectus contain the terms of this offering of notes. The accompanying prospectus contains information about our securities generally, some of which does not apply to the notes covered by this prospectus supplement. This prospectus supplement may add, update or change information contained in or incorporated by reference in the accompanying prospectus. If the information in this prospectus supplement is inconsistent with any information contained in or incorporated by reference in the accompanying prospectus, the information in this prospectus supplement will apply and will supersede the inconsistent information contained in or incorporated by reference in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the additional information incorporated by reference in this prospectus supplement and the accompanying prospectus. See **Where You Can Find More Information** in the accompanying prospectus.

References to we, us, our, our company or ours refer to Federal Realty Investment Trust and its directly and indirectly owned subsidiaries, unless the context otherwise requires. The term you refers to a prospective investor.

**You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the SEC. Neither we nor the underwriters have authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus and the documents incorporated by reference herein and therein is accurate only as of the respective dates of such documents or such other dates as may be specified therein. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus contain statements that are not based on historical facts, including statements or information with words such as may, will, could, should, plans, intends, expects, estimates, anticipates, continues and other similar words. These statements constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the Private Securities Litigation Reform Act of 1995. In particular, the risk factors included and incorporated by reference in this prospectus supplement and the accompanying prospectus describe forward-looking information. The risk factors, including those contained on page S-6 of this prospectus supplement, on page 3 of the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 13, 2017, describe risks that may affect these statements but are not exhaustive, particularly with respect to possible future events. Many things can happen that can cause actual results to be different from those we describe. These factors include, but are not limited to:

risks that our tenants may not pay rent, may vacate early or may file for bankruptcy, or that we may be unable to renew leases or re-let space at favorable rents as leases expire;

risks that we may not be able to proceed with or obtain necessary approvals for any redevelopment or renovation project, and that completion of anticipated or ongoing property redevelopment or renovation projects that we do pursue may cost more, take more time to complete or fail to perform as expected;

risk that we are investing a significant amount in ground-up development projects that may be dependent on third parties to deliver critical aspects of certain projects, requires spending a substantial amount upfront in infrastructure, and assumes receipt of public funding which has been committed but not entirely funded;

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risks normally associated with the real estate industry, including risks that:

occupancy levels at our properties and the amount of rent that we receive from our properties may be lower than expected,

new acquisitions may fail to perform as expected,

competition for acquisitions could result in increased prices for acquisitions,

environmental issues may develop at our properties and result in unanticipated costs, and

because real estate is illiquid, we may not be able to sell properties when appropriate;

risks that our growth will be limited if we cannot obtain additional capital;

risks associated with general economic conditions, including local economic conditions in our geographic markets;

risks of financing, such as our ability to consummate additional financings or obtain replacement financing on terms which are acceptable to us, our ability to meet existing financial covenants and the limitations imposed on our operations by those covenants, and the possibility of increases in interest rates that would result in increased interest expense; and

risks related to our status as a real estate investment trust, commonly referred to as a REIT, for federal income tax purposes, such as the existence of complex tax regulations relating to our status as a REIT, the effect of future changes in REIT requirements as a result of new legislation, and the adverse consequences of the failure to qualify as a REIT.

Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements or those contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We also make no promise to update any of the forward-looking statements, or to publicly release the results if we revise any of them.

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*The following is only a summary. It should be read together with the more detailed information included elsewhere in this prospectus supplement and the accompanying prospectus. In addition, important information is incorporated by reference in this prospectus supplement and the accompanying prospectus.*

**The Trust**

Federal Realty Investment Trust is an equity REIT specializing in the ownership, management, and redevelopment of high quality retail and mixed-use properties located primarily in densely populated and affluent communities in strategically selected metropolitan markets in the Northeast and Mid-Atlantic regions of the United States, California, and South Florida. As of September 30, 2017, we owned or had a majority interest in community and neighborhood shopping centers and mixed-use properties which are operated as 104 predominantly retail real estate projects comprising approximately 24.1 million square feet. In total, the real estate projects were 94.9% leased and 93.8% occupied at September 30, 2017. We have paid quarterly dividends to our shareholders continuously since our founding in 1962 and have increased our dividends per common share for 50 consecutive years.

We were founded in 1962 as a REIT under the laws of the District of Columbia and re-formed as a REIT in the state of Maryland in 1999. We operate in a manner intended to qualify as a REIT for tax purposes pursuant to provisions of the Internal Revenue Code of 1986, as amended, or the Code. Our principal executive offices are located at 1626 East Jefferson Street, Rockville, Maryland 20852. Our telephone number is (301) 998-8100. Our website address is [www.federalrealty.com](http://www.federalrealty.com). The information contained on our website is not a part of this prospectus supplement or the accompanying prospectus and is not incorporated herein or therein by reference.

**Ratios of Earnings to Fixed Charges**

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	For the Nine Months		For the Years Ended			
	Ended		December 31,			
	September 30,		2015	2014	2013	2012
Ratios of earnings to fixed charges	2017	2016	2015	2014	2013	2012
	2.7	2.8	2.3	2.1	1.9	2.0

The ratios of earnings to fixed charges are computed by dividing earnings by fixed charges. In computing the ratios of earnings to fixed charges: (a) earnings consist of income from continuing operations before income or loss from equity investees plus distributed income of equity investees and fixed charges (excluding capitalized interest) less noncontrolling interests of subsidiaries with no fixed charges; and (b) fixed charges consist of interest expense including amortization of debt premiums and discounts and issuance costs (including capitalized interest), prepayment charges and the estimated portion of rents payable by us representing interest.



**Table of Contents****The Offering**

All capitalized terms not defined herein have the meanings specified in *Description of Notes* in this prospectus supplement or in *Description of Debt Securities* in the accompanying prospectus. For a more complete description of the terms of the notes specified in the following summary, see *Description of Notes*.

Issuer	Federal Realty Investment Trust.
Securities offered	\$ million aggregate principal amount of 3.25% Notes due 2027.
Maturity	Unless redeemed prior to maturity as described below, the notes will mature on July 15, 2027.
Interest payment dates	Interest on the notes is payable semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2018, and at maturity (or any earlier redemption date).
Ranking	The notes will be our senior unsecured obligations and will rank <i>pari passu</i> , or equally, with all of our other unsecured and unsubordinated indebtedness. The notes will be effectively subordinated to the prior claims of each secured mortgage lender to any specific property that secures such lender's mortgage and to all of the unsecured indebtedness of our subsidiaries. At September 30, 2017, we had outstanding approximately \$493 million (excluding net unamortized premium and debt issuance costs) of secured indebtedness, which was issued by our subsidiaries and is collateralized by all or parts of 13 properties, and which will rank senior to the notes to the extent of the securing collateral and will also be structurally senior to the notes, approximately \$5 million (excluding net unamortized debt issuance costs) of unsecured indebtedness issued by our subsidiaries, which will be structurally senior to the notes, and approximately \$2,711 million of unsecured indebtedness (excluding net unamortized discount and debt issuance costs), which will rank equally with the notes.
Use of proceeds	We intend to use the net proceeds from this offering to redeem all of our outstanding 5.90% Notes due 2020 and for general corporate purposes or may use the net proceeds to temporarily repay amounts outstanding under our revolving credit facility. See <i>Use of Proceeds</i> on page S-7 for more information.
Limitations on incurrence of debt	The notes contain various covenants, including the following:  (1) we will not, and will not permit any subsidiary to, incur any Debt if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds thereof, the aggregate principal amount of all of our and our subsidiaries' outstanding Debt on a consolidated basis determined in accordance with generally accepted accounting principles is greater than 60% of the sum of (without duplication) (a) Total Assets as of the end of the calendar quarter covered in our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC

(or, if such filing is not permitted under the Exchange Act, with U.S. Bank National Association, the trustee) prior to the incurrence of such additional Debt and (b) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by us or any subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt;

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(2) we will not, and will not permit any subsidiary to, incur any Debt secured by any mortgage, lien, charge, pledge, encumbrance or security interest of any kind upon any of our or any of our subsidiaries' property if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds thereof, the aggregate principal amount of all of our and our subsidiaries' outstanding Debt on a consolidated basis which is secured by any mortgage, lien, charge, pledge, encumbrance or security interest on our or our subsidiaries' property is greater than 40% of the sum of (without duplication) (a) Total Assets as of the end of the calendar quarter covered in our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC (or, if such filing is not permitted under the Exchange Act, with the trustee) prior to the incurrence of such additional Debt and (b) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by us or any subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt; *provided that* for purposes of this limitation, the amount of obligations under capital leases shown as a liability on our consolidated balance sheet shall be deducted from Debt and from Total Assets;

(3) we will not, and will not permit any subsidiary to, incur any Debt if the ratio of Consolidated Income Available for Debt Service to the Annual Debt Service Charge for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred shall have been less than 1.5 to 1, on an unaudited pro forma basis after giving effect thereto and to the application of the proceeds therefrom and calculated on the assumption that (a) such Debt and any other Debt incurred by us and our subsidiaries since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had occurred at the beginning of such period; (b) the repayment or retirement of any other Debt by us and our subsidiaries since the first day of such four-quarter period had been repaid or retired at the beginning of such period (except that, in making such computation, the amount of Debt under any revolving credit facility shall be computed based upon the average daily balance of such Debt during such period); (c) in the case of Acquired Debt or Debt incurred in connection with any acquisition since the first day of such four-quarter period, the related acquisition had occurred as of the first day of such period, with the appropriate adjustments with respect to such acquisition being included in such unaudited pro forma calculation; and (d) in the case of any acquisition or disposition by us or our subsidiaries of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period, with the appropriate adjustments with respect to such acquisition or disposition being included in such unaudited pro forma calculation; and

(4) we, together with our subsidiaries, will maintain an Unencumbered Total Asset Value in an amount not less than 150% of the aggregate outstanding principal amount of all of our and our subsidiaries unsecured Debt, taken as a whole.

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Optional redemption	<p>The notes are redeemable at any time at our option, in whole or in part. If the notes are redeemed before April 15, 2027 (three months prior to the stated maturity date), the redemption price will be equal to the greater of (1) 100% of the principal amount of the notes being redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon, discounted to the redemption date on a semi-annual basis at the Adjusted Treasury Rate plus 20 basis points (0.20%), plus, in each case, accrued and unpaid interest thereon to, but excluding, the redemption date. If the notes are redeemed on or after April 15, 2027 (three months prior to the maturity date), the redemption price will be equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the redemption date.</p> <p>See Description of Notes Optional Redemption for more information.</p>
Material federal income tax considerations	<p>For a description of the material U.S. federal income tax considerations of an investment in the notes, please review the disclosure in this prospectus supplement under Additional Material Federal Income Tax Considerations and in the accompanying prospectus under Material Federal Income Tax Considerations.</p>
Risk factors	<p>Investing in the notes involves risks. Please review the risk factors discussed beginning on page S-5 of this prospectus supplement, on page 3 of the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 13, 2017, and the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider before deciding to invest in the notes. You may obtain a copy of our Annual Report on Form 10-K and the other documents incorporated by reference in this prospectus supplement and the accompanying prospectus by following the procedures described under Where You Can Find More Information on page 47 of the accompanying prospectus.</p>

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**RISK FACTORS**

*An investment in the notes involves a significant degree of risk. You should carefully consider the following risk factors, together with all of the other information contained in or incorporated by reference in this prospectus supplement, including the additional risk factors on page 3 of the accompanying prospectus and the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 13, 2017 before you decide to purchase the notes. The risks and uncertainties described below and in the incorporated Form 10-K for the year ended December 31, 2016 are not the only ones we may confront. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may impair our business operations. If any of those risks actually occur, our financial condition, operating results, liquidity and prospects could be materially adversely affected. This section contains forward-looking statements.*

**We are dependent on intercompany cash flows to satisfy our obligations under the notes.**

We derive a significant portion of our operating income from our subsidiaries. As a holder of notes, you will have no direct claim against our subsidiaries for payment under the notes. We generate net cash flow from the operations of the assets that we own directly but also rely on distributions and other payments from our subsidiaries to produce the funds necessary to meet our obligations, including the payment of principal of and interest on the notes. If the cash flow from our directly owned assets, together with the distributions and other payments we receive from subsidiaries, are insufficient to meet all of our obligations, we will be required to seek other sources of funds. These sources of funds could include proceeds derived from borrowings under our existing debt facilities, select property sales and net proceeds of public or private equity or debt offerings. There can be no assurance that we would be able to obtain the funds necessary to meet our obligations from these sources on acceptable terms or at all.

**The notes are structurally subordinated to the claims of our subsidiaries' creditors and our subsidiaries' preferred equity holders.**

Because the notes are not guaranteed by our subsidiaries, the notes are effectively subordinated in right of payment to all of our subsidiaries' existing and future liabilities. As a result, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to any of our subsidiaries, the holders of any indebtedness of that subsidiary will be entitled to obtain payment of that indebtedness from the assets of that subsidiary before the holders of any of our general unsecured obligations, including the notes. At September 30, 2017, our subsidiaries had approximately \$498 million of total secured and unsecured debt outstanding (excluding net unamortized premium and debt issuance costs), all of which was effectively senior to the notes. If any of our subsidiaries issues preferred equity in the future, the preferred equity will be effectively senior to the notes. At this time, none of our subsidiaries has any outstanding preferred equity or plans to issue any preferred equity.

**The notes are unsecured and are effectively subordinated to our secured indebtedness.**

Because the notes are unsecured, they are effectively subordinated to any of our secured indebtedness to the extent of the value of the assets securing the indebtedness. The indenture permits us and our subsidiaries to incur additional secured indebtedness, *provided that* certain conditions are satisfied. Consequently, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to our company, the holders of any secured indebtedness will be entitled to proceed against the collateral that secures the secured indebtedness prior to that collateral being available for satisfaction of any amounts owed under the notes. At September 30, 2017, we had approximately \$493 million (excluding net unamortized premium and debt issuance costs) of secured debt outstanding, all of which was effectively senior to the notes to the extent of the value of the securing collateral.

**An active public trading market for the notes may not be maintained.**

Although we do not intend to apply for listing of the notes on any securities exchange or on any automated dealer quotation system, a trading market currently exists for the \$300 million aggregate principal amount of the notes we previously issued. The underwriters have advised us that they currently intend to continue to make a market in the notes, but they are not obligated to do so and may cease market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading markets for the notes or that an active public market for the notes will be maintained. If an active public trading market for the notes is not maintained, the market price and liquidity of the notes may be adversely affected.

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The liquidity of any market for the notes will depend upon various factors, including:

the number of holders of the notes;

the interest of securities dealers in making a market for the notes;

the overall market for debt securities;

our financial performance and prospects; and

the prospects for companies in our industry generally.

If the notes are traded after their initial issuance, they may trade at a discount from their initial offering price, depending upon prevailing interest rates and other factors, including those listed above.

**Enactment of a Tax Reform Bill could have a negative effect on holders of the notes or us.**

On November 16, 2017, the U.S. House of Representatives passed the Tax Cuts and Jobs Act (H.R. 1), and on December 2, 2017, the U.S. Senate passed a revised version of the Tax Cuts and Jobs Act (together with any amended versions, the Tax Reform Bills ). Either of the Tax Reform Bills, or any likely compromise version of the Tax Reform Bills, would make significant changes to the United States income tax rules applicable to both individuals and entities, including corporations. There is significant uncertainty as to the likelihood, timing, or details of any Tax Reform Bill being enacted and the impact of any such Tax Reform Bill on us or an investment in the notes. You should consult with your tax advisor with respect to the status of the Tax Reform Bills and any other regulatory or administrative developments and proposals and their potential effect on your investment in the notes.

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**USE OF PROCEEDS**

The net proceeds to us from the issuance and sale of the notes offered by this prospectus supplement are estimated to be approximately \$            million after deducting the underwriting discount and other estimated expenses of this offering payable by us (but excluding accrued interest paid by purchasers of the notes of approximately \$            million). We intend to use these net proceeds to redeem all of our outstanding 5.90% Notes due 2020 and for general corporate purposes. Pending application of the net proceeds, we may invest the net proceeds in short-term income-producing investments or may use the net proceeds to temporarily repay amounts outstanding under our revolving credit facility.

As of September 30, 2017, 5.90% Notes due 2020 with an aggregate principal amount of \$150 million were outstanding. In addition to the payment of outstanding principal amount and accrued but unpaid interest, redemption of the 5.90% Notes due 2020 will be subject to a make-whole premium in the aggregate amount of approximately \$12 million. The 5.90% Notes due 2020 are scheduled to mature on April 1, 2020.

Our \$800 million revolving credit facility matures on April 20, 2020, subject to two six-month extensions at our option. LIBOR loans outstanding under our revolving credit facility bear interest at seven day, one month, three month or six month LIBOR, at our election, plus a spread of 82.5 basis points, subject to adjustment based on our credit rating. In addition, we have an option (subject to the approval of the lenders under our revolving credit facility) to increase our revolving credit facility through an accordion feature to \$1.5 billion. As of September 30, 2017, we had \$41.5 million outstanding under our revolving credit facility (\$56.0 million as of December 6, 2017).

Affiliates of certain of the underwriters may be beneficial owners of some of our 5.90% Notes due 2020. Any such affiliates will receive pro rata portions of the net proceeds from this offering used to redeem our 5.90% Notes due 2020. Affiliates of certain of the underwriters are lenders under our revolving credit facility and will receive a pro rata portion of the net proceeds used to repay amounts outstanding under our revolving credit facility. See Underwriting (Conflicts of Interest) Conflicts of Interest.

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**DESCRIPTION OF NOTES**

*The following description of the particular terms of the notes offered hereby supplements the description of the general terms and provisions of debt securities set forth in the accompanying prospectus under the caption Description of Debt Securities. Certain terms used in this prospectus supplement are defined in that section of the accompanying prospectus.*

**General**

We are offering \$ \_\_\_\_\_ aggregate principal amount of notes. The 2027 Notes will mature on July 15, 2027 (unless redeemed prior to such date in accordance with their terms). The notes offered hereby will be an additional issuance of our outstanding 3.25% Notes due 2027, \$300,000,000 aggregate principal amount of which were originally issued on June 23, 2017. The terms of the notes offered hereby, other than their issue date, initial interest accrual date, initial interest payment date and issue price, will be identical to the terms of and will be part of the same series as the \$300,000,000 aggregate principal amount of these outstanding 3.25% Notes due 2027. However, for U.S. federal income tax purposes the notes offered hereby will be deemed to have the same issue date and issue price as the existing notes. The notes offered hereby will have the same CUSIP number as the currently outstanding notes and will trade interchangeably with such notes immediately upon settlement. Upon consummation of this offering, the aggregate principal amount outstanding of our notes of this series, including the notes offered hereby, will be \$ \_\_\_\_\_.

We will pay interest on the notes semi-annually in arrears at an annual rate of 3.25% on January 15 and July 15 of each year, beginning on January 15, 2018, to the registered holders of the notes on the preceding January 1 and July 1. Interest will be computed and paid on the basis of a 360-day year consisting of twelve 30-day months. If any interest payment date, redemption date or maturity date falls on a day that is not a business day, the payment will be made on the next succeeding business day, and no interest shall accrue on the amount of interest due on such date for the period from and after such interest payment date, redemption date or maturity date to the next succeeding business day.

The notes offered hereby will be issued only in registered form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The defeasance and covenant defeasance provisions of the indenture apply to the notes. The notes are not entitled to the benefit of any sinking fund.

The indenture does not limit the aggregate principal amount of the securities that may be issued thereunder, and securities may be issued thereunder from time to time in one or more separate series up to the aggregate principal amount from time to time authorized by us for each series. We may from time to time without the consent of existing holders create and issue further notes having the same terms and conditions as the notes, except for the issue date, the issue price and, if applicable, the initial interest payment date and the initial interest accrual date. Additional notes issued in this manner will be consolidated and form a single series with, the previously outstanding notes. We also may issue from time to time other series of debt securities under the indenture consisting of notes or other unsecured evidences of indebtedness.

**Ranking**

The notes are our senior unsecured obligations and rank *pari passu*, or equally, with all of our other unsecured and unsubordinated indebtedness. The notes are effectively subordinated to the prior claims of each secured mortgage lender to any specific property that secures such lender's mortgage and to all of the unsecured indebtedness of our

subsidiaries. At September 30, 2017, we had outstanding approximately \$493 million (excluding net unamortized premium and debt issuance costs) of secured indebtedness, which was issued by our subsidiaries and is collateralized by all or parts of 13 properties, and which ranks senior to the notes to the extent of the securing collateral and is also structurally senior to the notes, approximately \$5 million (excluding net unamortized debt issuance costs) of unsecured indebtedness issued by our subsidiaries, which is structurally senior to the notes, and approximately \$2,711 million of unsecured indebtedness (excluding net unamortized discount and debt issuance costs), which ranks equally with the notes.

### **Optional Redemption**

The notes are redeemable at any time at our option, in whole or in part. If the notes are redeemed before April 15, 2027 (three months prior to the stated maturity date) (the Par Call Date), the redemption price will be equal to the greater of (1) 100% of the principal amount of the notes being redeemed, or (2) as determined by the Quotation Agent (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest (not including any portion of such payments of interest accrued to the applicable redemption date) on the notes to be redeemed, assuming that such notes matured, and that interest on such notes was payable on, the Par Call Date, discounted to such redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined below) plus 20 basis points (0.20%), plus, in each case, accrued and unpaid interest thereon to, but excluding, the redemption date. If the notes are redeemed on or after the Par Call Date, the redemption price will be equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the redemption date.

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As used herein:

*Adjusted Treasury Rate* means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

*Comparable Treasury Issue* means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the notes to be redeemed (assuming for this purpose that such notes matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

*Comparable Treasury Price* means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if the trustee obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such Quotations.

*Quotation Agent* means the Reference Treasury Dealer appointed by us.

*Reference Treasury Dealer* means each of (1) Citigroup Global Markets Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC and Wells Fargo Securities, LLC and their respective successors; *provided, however*, that if any of the Reference Treasury Dealers ceases to be a primary U.S. Government securities dealer, or a Primary Treasury Dealer, we will substitute therefor another Primary Treasury Dealer; and (2) any three other Primary Treasury Dealers selected by us.

*Reference Treasury Dealer Quotations* means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Notice of any redemption of the notes will be mailed at least 15 days but not more than 60 days before the redemption date to each holder of the notes to be redeemed. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions thereof called for redemption.

## **Covenants**

***Limitations on Incurrence of Debt.*** The notes provide that we will not, and will not permit any subsidiary to, incur any Debt if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds thereof, the aggregate principal amount of all of our and our subsidiaries' outstanding Debt on a consolidated basis determined in accordance with generally accepted accounting principles is greater than 60% of the sum of (without duplication) (1) Total Assets as of the end of the calendar quarter covered in our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC (or, if such filing is not permitted under the Exchange Act, with the trustee) prior to the incurrence of such additional Debt and (2) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by us or any subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

In addition to the foregoing limitation on the incurrence of Debt, the notes provide that we will not, and will not permit any subsidiary to, incur any Debt secured by any mortgage, lien, charge, pledge, encumbrance or security interest of any kind upon any of our or any of our subsidiaries' property if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds thereof, the aggregate principal amount of all of our and our subsidiaries' outstanding Debt on a consolidated basis which is secured by any mortgage, lien, charge, pledge, encumbrance or security interest on our or our subsidiaries' property is greater than 40% of the sum of (without duplication) (1) Total Assets as of the end of the calendar quarter covered in our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC (or, if such filing is not

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permitted under the Exchange Act, with the trustee) prior to the incurrence of such additional Debt and (2) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by us or any subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt; *provided that* for purposes of this limitation, the amount of obligations under capital leases shown as a liability on our consolidated balance sheet shall be deducted from Debt and from Total Assets.

Furthermore, the notes also provide that we will not, and will not permit any subsidiary to, incur any Debt if the ratio of Consolidated Income Available for Debt Service to the Annual Debt Service Charge for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred shall have been less than 1.5 to 1, on an unaudited pro forma basis after giving effect thereto and to the application of the proceeds therefrom, and calculated on the assumption that: (1) such Debt and any other Debt incurred by us and our subsidiaries since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had occurred at the beginning of such period; (2) the repayment or retirement of any other Debt by us and our subsidiaries since the first day of such four-quarter period had been repaid or retired at the beginning of such period (except that, in making such computation, the amount of Debt under any revolving credit facility shall be computed based upon the average daily balance of such Debt during such period); (3) in the case of Acquired Debt or Debt incurred in connection with any acquisition since the first day of such four-quarter period, the related acquisition had occurred as of the first day of such period, with the appropriate adjustments with respect to such acquisition being included in such unaudited pro forma calculation; and (4) in the case of any acquisition or disposition by us or our subsidiaries of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period, with the appropriate adjustments with respect to such acquisition or disposition being included in such unaudited pro forma calculation.

***Maintenance of Unencumbered Total Asset Value.*** The notes provide that we, together with our subsidiaries, will at all times maintain an Unencumbered Total Asset Value in an amount not less than 150% of the aggregate outstanding principal amount of all our and our subsidiaries unsecured Debt, taken as a whole.

***Insurance.*** The notes provide that we will, and will cause each of our subsidiaries to, maintain insurance with financially sound and reputable insurance companies against such risks and in such amounts as is customarily maintained by persons engaged in similar businesses or as may be required by applicable law, and that we will from time to time deliver to the Administrative Agent (as defined in our credit agreement dated as of July 7, 2011, as amended) upon its request a detailed list, together with copies of all policies of the insurance then in effect, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

As used herein:

***Acquired Debt*** means Debt of a person (1) existing at the time such person becomes a subsidiary or (2) assumed in connection with the acquisition of assets from such person, in each case, other than Debt incurred in connection with, or in contemplation of, such person becoming a subsidiary or such acquisition. Acquired Debt shall be deemed to be incurred on the date of the related acquisition of assets from any person or the date the acquired person becomes a subsidiary.

***Annual Debt Service Charge*** as of any date means the maximum amount which is payable in any period for interest on, and original issue discount of, our and our subsidiaries Debt and the amount of dividends which are payable in

respect of any Disqualified Stock.

*Capital Stock* means, with respect to any person, any capital stock (including preferred stock), shares, interests, participations or other ownership interests (however designated) of such person and any rights (other than debt securities convertible into or exchangeable for corporate stock), warrants or options to purchase any thereof.

*Consolidated Income Available for Debt Service* for any period means our and our subsidiaries Funds from Operations plus amounts which have been deducted for interest on our and our subsidiaries Debt.

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*Debt* means any of our or any of our subsidiaries' indebtedness, whether or not contingent, in respect of (without duplication) (1) borrowed money evidenced by bonds, notes, debentures or similar instruments, (2) indebtedness secured by any mortgage, pledge, lien, charge, encumbrance or any security interest existing on property owned by us or any subsidiary, (3) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable, or all conditional sale obligations or obligations under any title retention agreement, (4) the principal amount of all of our or any of our subsidiaries' obligations with respect to redemption, repayment or other repurchase of any Disqualified Stock or (5) any lease of property by us or any subsidiary as lessee which is reflected on our consolidated balance sheet as a capitalized lease in accordance with generally accepted accounting principles to the extent, in the case of items of indebtedness under (1) through (3) above, that any such items (other than letters of credit) would appear as a liability on our consolidated balance sheet in accordance with generally accepted accounting principles, and also includes, to the extent not otherwise included, any obligation of us or any subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business or for the purposes of guaranteeing the payment of all amounts due and owing pursuant to leases to which we are a party and have assigned our interest, *provided that* such assignee of ours is not in default of any amounts due and owing under such leases), Debt of another person (other than us or any subsidiary) (it being understood that Debt shall be deemed to be incurred by us or any subsidiary whenever we or such subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof).

*Disqualified Stock* means, with respect to any person, any Capital Stock of such person which by the terms of such Capital Stock (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise (1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, (2) is convertible into or exchangeable or exercisable for Debt or Disqualified Stock or (3) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the stated maturity of the notes.

*Funds from Operations* for any period means income available to common shareholders before depreciation and amortization of real estate assets and before extraordinary items less gain on sale of real estate.

*Total Assets* as of any date means the sum of (1) our and all of our subsidiaries' Undepreciated Real Estate Assets and (2) all of our and our subsidiaries' other assets determined in accordance with generally accepted accounting principles (but excluding goodwill).

*Undepreciated Real Estate Assets* as of any date means the cost (original cost plus capital improvements) of our and our subsidiaries' real estate assets on such date, before depreciation and amortization determined on a consolidated basis in accordance with generally accepted accounting principles.

*Unencumbered Total Asset Value* as of any date means the sum of (a) those Undepreciated Real Estate Assets not encumbered by any mortgage, lien, charge, pledge or security interest and (b) all of our and our subsidiaries' other assets on a consolidated basis determined in accordance with generally accepted accounting principles (but excluding intangibles and accounts receivable), in each case which are unencumbered by any mortgage, lien, charge, pledge or security interest; *provided, however*, that in determining Unencumbered Total Asset Value for purposes of the covenant set forth above in Maintenance of Unencumbered Total Asset Value, all investments by us and any subsidiary in unconsolidated joint ventures, unconsolidated limited partnerships, unconsolidated limited liability companies and other unconsolidated entities accounted for financial reporting purposes using the equity method of accounting in accordance with U.S. generally accepted accounting principles shall be excluded from Unencumbered Total Asset Value.

See Description of Debt Securities Certain Covenants in the accompanying prospectus for a description of additional covenants applicable to us.

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**Default Provisions**

***Events of Default.*** The notes are subject to the following events of default:

1. A default in the payment of any interest or any additional amounts on any debt security of that series or of any coupon appertaining thereto when it becomes due and payable, if the default continues for a period of 30 days.
2. A default in the payment of the principal of (or premium, if any, on) any debt security of that series at its maturity (upon acceleration, optional or mandatory redemption, required purchase or otherwise).
3. A default in the deposit of any sinking fund payment as required by the terms of any debt security of that series.
4. A default in the performance, or a breach, of any covenant or agreement by us under the applicable indenture (other than a default in the performance, or a breach of a covenant or agreement which is specifically dealt with in clause (1) through (7) hereof) if such default or breach continues for a period of 60 days after written notice has been given, by registered or certified mail:
  - (a) to us by the trustee; or
  - (b) to us and the trustee by the holders of at least 25% in aggregate principal amount of the outstanding debt securities of the series.
5. The occurrence of one or more defaults under any bond, debenture, note or other evidence of indebtedness for money borrowed by us (including obligations under leases required to be capitalized on the balance sheet of the lessee under generally accepted accounting principles but not including any indebtedness or obligations for which recourse is limited to property purchased) in an aggregate principal amount in excess of \$25,000,000 or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by us (including such leases but not including such indebtedness or obligations for which recourse is limited to property purchased) in an aggregate principal amount in excess of \$25,000,000, whether such indebtedness now exists or shall hereafter be created, if the default has resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable or in the acceleration of such obligations, without such acceleration having been rescinded or annulled.
6. The entry by a court of competent jurisdiction under any applicable bankruptcy law that:
  - (a) is for relief against us or any of our significant subsidiaries in an involuntary case,
  - (b) appoints a receiver in respect of us or any of our significant subsidiaries or for all or substantially all of the property of any of us; or
  - (c) orders our liquidation or the liquidation of any of our significant subsidiaries, and the order or decree remains unstayed and in effect for 90 days.
7. We or any of our significant subsidiaries do any of the following:
  - (a) commence a voluntary case or proceeding under any applicable bankruptcy law;

(b) consent to the entry of a decree or order for relief in respect of us or any of our significant subsidiaries in an involuntary case or proceeding under any applicable bankruptcy law;

(c) consent to the appointment of a receiver in respect of us or any of our significant subsidiaries for all or substantially all of our or its property; or

(d) makes a general assignment for the benefit of our creditors or the creditors of any of our significant subsidiaries.

### **Book-Entry Form**

We have established a depositary arrangement with The Depository Trust Company, or the Depository, with respect to the notes, the terms of which are summarized below. Upon issuance, each of the notes offered hereby will be represented by a single Global Security (as defined in the indenture) and will be deposited with, or on behalf of, the Depository and will be registered in the name of the Depository or a nominee of the Depository. No Global Security may be transferred except as a whole by a nominee of the Depository to the Depository or to another nominee of the Depository, or by the Depository or such nominee to a successor of the Depository or a nominee of such successor.

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As long as the Depository or its nominee is the registered owner of a Global Security, the Depository or its nominee, as the case may be, will be the sole Holder (as defined in the indenture) of the notes for all purposes under the indenture. Except as otherwise provided in this section, the Beneficial Owners (as defined in the indenture) of the Global Security representing the notes will not be entitled to receive physical delivery of certificated notes and will not be considered the Holders thereof for any purpose under the indenture, and no Global Security representing such notes shall be exchangeable or transferable. Accordingly, each Beneficial Owner must rely on the procedures of the Depository and, if such Beneficial Owner is not a Participant (as defined below), on the procedures of the Participant through which such Beneficial Owner owns its interest in order to exercise any rights of a Holder under such Global Security or the indenture. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. Such laws may impair the ability to transfer beneficial interests in a Global Security representing the notes.

The Global Security representing the notes offered hereby will be exchangeable for certificated notes of like tenor and terms and of differing authorized denominations aggregating a like principal amount, only if (1) the Depository notifies us that it is unwilling or unable to continue as Depository for the Global Security or the Depository ceases to be a clearing agency registered under the Exchange Act (if so required by applicable law or regulation) and, in each case, a successor Depository is not appointed by us within 90 days after we receive such notice or become aware of such unwillingness, inability or ineligibility, (2) we, in our discretion, determine that the Global Security shall be exchangeable for certificated notes or (3) there shall have occurred and be continuing an Event of Default (as defined in the indenture) under the indenture with respect to the notes and Beneficial Owners representing a majority in aggregate principal amount of the notes represented by the Global Security advise the Depository to cease acting as depository. Upon any such exchange, the certificated notes shall be registered in the names of the Beneficial Owners of the Global Security representing the notes, which names shall be provided by the Depository's relevant Participants (as identified by the Depository) to the registrar.

The information below concerning the Depository and the Depository's system has been furnished by the Depository, and we take no responsibility for the accuracy thereof. The Depository acts as securities depository for the notes. The notes offered hereby will be issued as fully registered securities registered in the name of Cede & Co. (the Depository's partnership nominee). One fully registered Global Security will be issued for the notes offered hereby, in the aggregate principal amount of such issue, and will be deposited with the Depository.

The Depository is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository holds securities that its participants, or Participants, deposit with the Depository. The Depository also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of the Depository, or Direct Participants, include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The Depository is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation, or DTCC. DTCC is owned by the users of its regulated subsidiaries. Access to the Depository's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly, or Indirect Participants. The rules applicable to the Depository and its Participants are on file with the SEC.

Purchases of notes under the Depository's system must be made by or through Direct Participants, which will receive a credit for such notes on the Depository's records. The ownership interest of each actual purchaser of each note represented by a Global Security, or Beneficial Owner, is in turn to be recorded on the Direct Participants' and Indirect

Participants' records. Beneficial Owners will not receive written confirmation from the Depository of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participants or Indirect Participants through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in a Global Security representing the notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners of a Global Security representing the notes will not receive certificated notes representing their ownership interests therein, except in the event that use of the book-entry system for such notes is discontinued.

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To facilitate subsequent transfers, the Global Security representing the notes which is deposited with, or on behalf of, the Depository are registered in the name of the Depository's partnership nominee, Cede & Co. The deposit of a Global Security with, or on behalf of, the Depository and its registration in the name of Cede & Co. effects no change in beneficial ownership. The Depository has no knowledge of the actual Beneficial Owners of the Global Security representing the notes; the Depository's records reflect only the identity of the Direct Participants to whose accounts such notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by the Depository to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither the Depository nor Cede & Co. will consent or vote with respect to the Global Security representing the notes. Under its usual procedures, the Depository mails an Omnibus Proxy to us as soon as possible after the applicable record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the notes are credited on the applicable record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and/or interest payments on the Global Security representing the notes offered hereby will be made to the Depository. The Depository's practice is to credit Direct Participants' accounts on the applicable payment date in accordance with their respective holdings shown on the Depository's records unless the Depository has reason to believe that it will not receive payment on such date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of the Depository, the trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest to the Depository is the responsibility of us or the trustee, disbursement of such payments to Direct Participants shall be the responsibility of the Depository, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

If applicable, redemption notices shall be sent to Cede & Co. If less than all of the notes are being redeemed, the Depository's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

The Depository may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to the trustee or us. Under such circumstances, in the event that a successor securities depository is not obtained, certificated notes are required to be printed and delivered. We may decide to discontinue use of the system of book-entry transfers through the Depository (or a successor securities depository). In that event, certificated notes will be printed and delivered.

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**ADDITIONAL MATERIAL FEDERAL INCOME TAX CONSIDERATIONS**

For a discussion of the material federal income tax issues that you may consider relevant relating to our taxation as a REIT, see **Material Federal Income Tax Considerations** beginning on page 28 of the accompanying prospectus, as modified by the discussion below under **Recent Proposed and Enacted Legislation and Regulations Affecting Taxation of Our Company**. For a general discussion of the material U.S. federal income tax considerations applicable to the acquisition, ownership and disposition of the notes, see below under **Taxation of Holders of the Notes**. These discussions apply only to initial beneficial owners of the notes who purchase notes in this offering at their public offering price and who hold the notes as capital assets (generally property held for investment) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the **Code**). These discussions are based on the Code, income tax regulations promulgated thereunder, judicial decisions, published positions of the Internal Revenue Service (**IRS**) and other applicable authorities, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. These discussions are general in nature and are not exhaustive of all possible tax considerations, nor do they address any state, local or foreign tax considerations or any U.S. tax considerations (e.g., estate, generation-skipping, or gift tax) other than U.S. federal income tax considerations, that may be applicable to particular holders. These discussions do not address all the tax consequences that may be relevant to specific holders in light of their particular circumstances (including holders that are directly or indirectly related to us) or to holders subject to special treatment under the Code, such as financial institutions, brokers, dealers in securities and commodities, insurance companies, certain former U.S. citizens or long-term residents, regulated investment companies, real estate investment trusts, tax-exempt organizations, controlled foreign corporations, passive foreign investment companies, persons subject to the alternative minimum tax, U.S. persons whose functional currency is not the U.S. dollar, persons that are, or that hold their notes through, partnerships or other pass-through entities, or persons that hold notes as part of a straddle, hedge, conversion, synthetic security or constructive sale transaction for U.S. federal income tax purposes. Except as specifically provided below with respect to Non-U.S. Holders (as defined below), these discussions are limited to beneficial owners of notes that are U.S. Holders.

**PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE NOTES.**

**Recent Proposed and Enacted Legislation and Regulations Affecting Taxation of Our Company**

This discussion supplements and updates the discussion contained in the prospectus under the heading **Material Federal Income Tax Considerations**, and supersedes such discussion to the extent inconsistent with such discussion. As supplemented and updated by this summary, investors should review the discussion in the prospectus under the heading **Material Federal Income Tax Considerations** for a more detailed summary of the federal income tax consequences of our election to be subject to federal income tax as a REIT.

***Potential U.S. Tax Reform Legislation***

On November 16, 2017, the U.S. House of Representatives passed its version of a Tax Reform Bill, the Tax Cuts and Jobs Act (H.R. 1), and on December 2, 2017, the U.S. Senate passed a revised version of the Tax Reform Bill. Either of the Tax Reform Bills, or any likely compromise version of the Tax Reform Bills, would make significant changes to the United States income tax rules applicable to both individuals and entities, including corporations. Whether a Tax Reform Bill as currently written or as subsequently amended will be enacted and its impact on the tax treatment described herein is uncertain. Holders should consult with their tax advisors with respect to the status of the Tax Reform Bills and any other regulatory or administrative developments and proposals and their potential effect on an investment in the notes.

***Path Act Modification of Certain Rules Applicable to REITs***

On December 18, 2015, President Obama signed into law the Consolidated Appropriations Act, 2016, an omnibus spending bill, with a division referred to as the Protecting Americans from Tax Hikes Act of 2015 (the PATH Act ). The PATH Act modified a number of important rules regarding the taxation of REITs and their shareholders, including, among others, the following rules described below. The rules in the PATH Act were enacted with different effective dates, some of which are retroactive. Prospective investors should consult their tax advisors regarding the implications of the PATH Act.

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***Reduction in Built-in Gains Period.*** For taxable years beginning in 2015 and later, the built-in gains period (i.e., the period during which gains from the sale or disposition of property acquired by a REIT from a C corporation in a tax-free merger or other carryover basis transaction is subject to C corporation tax) is reduced from ten years to five years. Subsequent to the enactment of the PATH Act the IRS issued temporary Treasury regulations that extended the built-in gains period with respect to REITs from five years back to ten years, applicable to acquisitions of assets in which a REIT's basis in an asset is determined by reference to the basis of the assets in the hands of the transferor C corporation that occur on or after August 8, 2016 and on or before February 17, 2017. Pursuant to recently finalized Treasury regulations, the five-year recognition period applies to transactions that occur after February 17, 2017, and taxpayers may also apply the five-year recognition period to transactions that occurred on or after August 8, 2016 and on or before February 17, 2017.

***Reduction in Permissible Holdings of the Securities of Taxable REIT Subsidiaries.*** For taxable years beginning after 2017, the percentage of our total assets that may be represented by secu