

American Homes 4 Rent  
Form S-11/A  
April 29, 2014

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As filed with the Securities and Exchange Commission on April 29, 2014

Registration No. 333-194979

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, DC 20549

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Amendment No. 2  
to  
**FORM S-11**  
FOR REGISTRATION UNDER  
THE SECURITIES ACT OF 1933 OF SECURITIES  
OF CERTAIN REAL ESTATE COMPANIES

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**AMERICAN HOMES 4 RENT**

(Exact name of registrant as specified in governing instruments)

---

30601 Agoura Road, Suite 200  
Agoura Hills, California 91301  
(805) 413-5300

(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

---

Sara H. Vogt-Lowell  
Senior Vice President and Chief Legal Officer  
American Homes 4 Rent  
30601 Agoura Road, Suite 200  
Agoura Hills, California 91301  
(805) 413-5300

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

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Copies to:

James E. Showen

William J. Cernius

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G. Allen Hicks  
 Hogan Lovells US LLP  
 555 Thirteenth Street N.W.  
 Washington, D.C. 20004  
 Phone: (202) 637-5600  
 Facsimile: (202) 637-5910

Latham & Watkins LLP  
 650 Town Center Drive, 20<sup>th</sup> Floor  
 Costa Mesa, California 92626  
 Phone: (714) 540-1235  
 Facsimile: (714) 755-8290

**Approximate date of commencement of proposed sale to the public:  
 As soon as practicable after the effective date of this Registration Statement.**

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, 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(c) 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.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

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       Accelerated filer       Non-accelerated filer       Smaller reporting company   
 (do not check if a smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

Title of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(1)
Series C participating preferred shares of beneficial interest, \$0.01 par value per share ("Series C Participating Preferred Shares")	\$186,875,000	\$24,069.50
Class A common shares of beneficial interest, \$0.01 par value per share ("Class A Common Shares")	(2)	(2)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act"). The Company is filing this pre-effective Amendment No. 2 to the Registration Statement on Form S-11 (File No. 333-194979) filed on April 1, 2014, as amended, to increase the proposed maximum dollar value of securities being registered. The Company is registering an additional \$71,875,000 of Series C Participating Preferred Shares and incurring additional registration fees of \$9,257.50.

(2) We are registering up to \$186,875,000 of our Class A Common Shares, which may be issuable upon conversion of the Series C Participating Preferred Shares at our option after March 31, 2018. Pursuant to Rule 457(i) under the Securities Act, there is no filing fee payable with respect to the Class A Common Shares issuable upon conversion of the Series C Participating Preferred Shares because no additional consideration will be received in connection with any conversion.

**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 which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a)**

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of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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**The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion, dated April 29, 2014**

**PROSPECTUS**

**6,500,000 SHARES**

**% SERIES C PARTICIPATING PREFERRED SHARES**

American Homes 4 Rent is an internally managed Maryland real estate investment trust, or REIT, focused on acquiring, renovating, leasing and operating single-family homes as rental properties. We are selling 6,500,000 shares of our % Series C participating preferred shares of beneficial interest, \$0.01 par value per share, or our Series C Participating Preferred Shares, in this offering. This is the original issuance of our Series C Participating Preferred Shares. The following is a summary of key terms of our Series C Participating Preferred Shares:

*Liquidation Preference and Home Price Appreciation Amount.* The Series C Participating Preferred Shares have an initial liquidation preference of \$25.00 per share, or the initial liquidation preference, that may be increased by an additional Home Price Appreciation Amount, or the HPA Amount, that takes into account the cumulative change in value from December 31, 2013 of an index tracking the purchase prices of single-family homes located in our top 20 markets, by estimated total investment, as of July 31, 2013 and a constant investor participation percentage of 50%. The HPA Amount will be subject to a cap as described below and will become fixed (based on the HPA Amount calculated with respect to the period ended December 31, 2020) and cease to accrue on and after March 31, 2021.

*Dividends.* We will pay quarterly cumulative dividends, in arrears, on our Series C Participating Preferred Shares from and including the date of original issuance on the last day of each March, June, September and December. The first dividend is scheduled to be paid on , 2014 to record holders as of , 2014. The dividend rate of % per annum will be applied to the initial liquidation preference from the issue date to but excluding March 31, 2021. Thereafter, a dividend rate of 10.000% per annum will be applied to the initial liquidation preference plus the HPA Amount.

*Redemption at Our Option.* After March 31, 2018, we may redeem for cash all but not less than all of the Series C Participating Preferred Shares by paying the liquidation preference (including any HPA Amount), plus any accrued and unpaid dividends, to, but excluding, the redemption date.

*Conversion at Our Option.* After March 31, 2018, we may convert all but not less than all of the Series C Participating Preferred Shares into our Class A common shares of beneficial interest, \$0.01 par value per share, or our Class A common shares, using a conversion ratio per Series C Participating Preferred Share equal to (i) the sum of the initial liquidation preference and the HPA Amount, plus any accrued and unpaid dividends to, but excluding, the conversion date (to occur on the fourth business day following the notice of conversion), divided by (ii) the one-day volume-weighted average trading price, or the VWAP, of our Class A common shares on the New York Stock Exchange, or NYSE, as reported by Bloomberg, if available, on the date the notice of conversion is issued.

*Cap.* Until March 31, 2021, the amount payable upon any redemption, conversion or liquidation event will be subject to a cap such that the total internal rate of return when considering the initial liquidation preference, the HPA Amount and all dividends (whether paid or accrued) on the Series C Participating Preferred Shares will not exceed 9.0%.

*Change of Control.* If there is a Change of Control (as defined), holders of Series C Participating Preferred Shares will have certain conversion rights, subject to our right to redeem the Series C Participating Preferred Shares.

Concurrently with the completion of this offering, the daughter of the Chairman of our Board of Trustees, B. Wayne Hughes, will purchase \$5 million of our Series C Participating Preferred Shares in a private placement at the public offering price set forth below. This concurrent private placement is expected to close on the same day as this offering and is contingent upon completion of the offering. This offering is not contingent upon the closing of the concurrent private placement.

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No current market exists for our Series C Participating Preferred Shares. We intend to apply to list the Series C Participating Preferred Shares on the NYSE under the symbol "AMHPRC." If the listing application is approved, we expect trading of the Series C Participating Preferred Shares to commence within 30 days after initial delivery of the shares.

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**We are an "emerging growth company" under the U.S. federal securities laws and are subject to reduced public company reporting requirements. Investing in our Series C Participating Preferred Shares involves risks. See "Risk Factors" beginning on page 26 of this prospectus, and the information under the caption "Part 1, Item 1A. Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2013, which is incorporated by reference herein, for factors you should consider before investing in our Series C Participating Preferred Shares.**

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	Per Share	Total
Public offering price	\$25.00	\$162,500,000
Underwriting discounts and commissions(1)	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) We refer you to "Underwriting" beginning on page 141 of this prospectus for additional information regarding underwriter compensation.

We have granted the underwriters an option to purchase up to an additional 975,000 Series C Participating Preferred Shares from us at the public offering price, less the underwriting discount, within 30 days after the date of this prospectus solely to cover over-allotments.

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

The underwriters expect to deliver the Series C Participating Preferred Shares through The Depository Trust Company on or about \_\_\_\_\_, 2014, which is the third business day following the pricing of this offering.

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**Morgan Stanley**

**Raymond James**

**Jefferies**

**Keefe, Bruyette &  
Woods**  
*A Stifel Company*

**Baird**

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Prospectus dated \_\_\_\_\_, 2014

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You should rely only on the information contained in or incorporated by reference into this prospectus, any free writing prospectus prepared by us or other information to which we have referred you. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this prospectus and any free writing prospectus, as well as the information that we have previously filed with the Securities and Exchange Commission, or the SEC, and incorporated by reference herein, is current only as of their respective dates or on the date or dates that such information is presented. Our business, financial condition, results of operations, and prospects may have changed since those dates.

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**Market, Industry and Other Data**

We have obtained certain market and industry data from publicly available industry publications. These sources generally state that the information they provide has been derived from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. We believe that this data is generally reliable, but we have not independently verified this information.

**Certain Terms Used in This Prospectus**

Unless the context otherwise requires or indicates, we define certain terms in this prospectus as follows:

"We," "our company," "the Company," "the REIT," "our" and "us" refer to American Homes 4 Rent, a Maryland real estate investment trust, and its subsidiaries taken as a whole (including our operating partnership and its subsidiaries).

"Our operating partnership" refers to American Homes 4 Rent, L.P., a Delaware limited partnership, and its subsidiaries taken as a whole.

"AH LLC" refers to American Homes 4 Rent, LLC, a Delaware limited liability company formed by B. Wayne Hughes, our founder and chairman of our board of trustees.

"AH LLC Portfolio" refers to the 2,770 single-family homes that we purchased from AH LLC on February 28, 2013.

"Acquisition cost" means:

with respect to single-family homes in the AH LLC Portfolio, AH LLC's actual purchase price of the property (including closing and other title or escrow costs), without giving effect to the \$491.7 million maximum agreed upon valuation of the AH LLC Portfolio under the terms of the contribution agreement pursuant to which we acquired the portfolio.

with respect to all other single-family homes, the actual purchase price of the property (including broker commissions and closing costs) plus a 5% acquisition fee.

"Estimated renovation costs" refer to the costs incurred or expected to be incurred in preparing the property for rent plus a 5% renovation fee payable to AH LLC. Estimated renovation costs represent the total costs to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.

"Estimated total investment" means the sum of the property's acquisition cost plus its estimated renovation costs payable to AH LLC.

"Management Internalization" refers to our operating partnership's acquisition of our former manager and our former property manager from AH LLC on June 10, 2013, at which time all administrative, financial, property management and marketing and leasing personnel, including executive management, became our fully dedicated personnel.



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**PROSPECTUS SUMMARY**

*This summary highlights selected information contained elsewhere in this prospectus or the documents incorporated by reference herein. It does not contain all of the information that you may consider important in making your investment decision. Therefore, you should read the entire prospectus carefully, including the information incorporated by reference herein and the "Risk Factors" section beginning on page 26 of this prospectus.*

**Overview**

We are an internally managed Maryland real estate investment trust, or REIT, focused on acquiring, renovating, leasing and operating single-family homes as rental properties. We commenced operations in November 2012 to continue the investment activities of AH LLC, which was founded by our chairman, B. Wayne Hughes, in 2011 to take advantage of the dislocation in the single-family home market. Mr. Hughes has over 40 years of experience in the real estate business and a successful track record as co-founder and former chairman and chief executive officer of Public Storage, a REIT listed on the New York Stock Exchange, or the NYSE. We have an integrated operating platform that consists of approximately 430 personnel dedicated to property management, marketing, leasing, financial and administrative functions. Our acquisition and renovation functions are performed by AH LLC, to whom we will continue to pay an acquisition and renovation fee through December 2014.

As of December 31, 2013, we owned 23,268 single-family properties for a total book value of approximately \$3.9 billion and had an additional 536 properties in escrow that we expected to acquire, subject to customary closing conditions, for an estimated total investment of approximately \$88.4 million. As of December 31, 2013, we owned properties in selected sub-markets of metropolitan statistical areas, or MSAs, in 22 states, and we continually evaluate potential new target markets that fit our underwriting criteria and are located where we believe we can achieve sufficient scale for internalized property management.

We seek to become a leader in the single-family home rental industry by aggregating a geographically diversified portfolio of high quality single-family homes and developing "American Homes 4 Rent" into a nationally recognized brand that is well-known for quality, value and tenant satisfaction and is well respected in our communities. Our objective is to generate attractive, risk-adjusted returns for our shareholders through dividends and capital appreciation. As of March 28, 2014, our equity market capitalization (including operating partnership units exchangeable for common shares) was approximately 3.5 times that of the next largest publicly-traded REIT that primarily owns single-family residential homes.

We intend to use the net proceeds of this offering and the concurrent private placement to repay indebtedness we have incurred or expect to incur under our credit facility, and to the extent not used for that purpose, to continue to acquire and renovate single-family properties, including certain escrow properties. In addition to single-family properties, we also may seek to invest in condominium units, townhouses and real estate-related debt investments. Our investments may be made directly or through investment vehicles with third-party investors. In addition to individual property purchases, we may pursue bulk acquisitions from financial institutions, government agencies and competitors.

We believe that we have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under U.S. federal income tax laws, for each of our taxable years commencing with our taxable year ended December 31, 2012, and we expect to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2014, and subsequent taxable years.

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### **Our Properties**

The table below summarizes certain information with respect to our properties as of December 31, 2013.

#### **Our Properties(1)**

Market	Properties		Total Book Value			Averages Per Property	
	Units	% of Total	(millions)	% of Total	Avg. per Property	Square Footage	Age (years)
Dallas-Fort Worth, TX	2,085	9.0%	\$ 329.1	8.4%	\$ 157,794	2,188	10.2
Indianapolis, IN	2,021	8.7%	297.0	7.6%	146,957	1,893	11.5
Greater Chicago area, IL and IN	1,519	6.5%	233.4	5.9%	153,654	1,861	12.4
Atlanta, GA	1,461	6.3%	241.6	6.2%	165,366	2,157	13.0
Cincinnati, OH	1,244	5.3%	210.2	5.4%	168,971	1,849	13.5
Houston, TX	1,223	5.3%	213.2	5.4%	174,325	2,293	9.6
Charlotte, NC	1,058	4.5%	180.5	4.6%	170,605	1,964	10.7
Nashville, TN	994	4.3%	203.0	5.2%	204,225	2,202	9.5
Jacksonville, FL	974	4.2%	143.2	3.6%	147,023	1,923	9.6
Phoenix, AZ	962	4.1%	147.1	3.7%	152,911	1,811	11.3
All Other(2)	9,727	41.8%	1,725.3	44.0%	177,383	1,905	11.2
<b>Total / Average</b>	<b>23,268</b>	<b>100.0%</b>	<b>\$ 3,923.6</b>	<b>100.0%</b>	<b>\$ 168,626</b>	<b>1,972</b>	<b>11.2</b>

- 
- (1) Includes 377 properties in which we hold an approximate one-third interest through a joint venture.
- (2) Represents 32 markets in 19 states.

The table below summarizes certain information with respect to properties in escrow as of December 31, 2013.

#### **Properties in Escrow(1)**

Market	Units	Properties in Escrow			Estimated Total Investment(2)	
		% of Total	Avg. Sq. Ft.	Avg. Age (years)	(millions)	Avg. per Property
Cincinnati, OH	93	17.4%	1,883	11.4	\$ 15.3	\$ 164,910
Columbus, OH	86	16.0%	1,885	13.0	13.0	151,264
Charlotte, NC	53	9.9%	2,154	10.2	8.2	154,299
Dallas-Fort Worth, TX	51	9.5%	1,940	10.1	8.0	157,449
Indianapolis, IN	39	7.3%	1,947	13.0	6.3	162,799
Raleigh, NC	36	6.7%	1,786	10.2	5.5	151,890
Houston, TX	18	3.4%	2,452	8.8	3.4	187,099
Atlanta, GA	17	3.2%	2,007	13.4	2.9	169,811
Greensboro, NC	16	3.0%	2,211	10.1	2.7	171,000

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Nashville, TN	15	2.8%	2,511	9.7	3.2	211,434
All Other(3)	112	20.8%	1,921	10.8	19.9	177,373
<b>Total / Average</b>	<b>536</b>	<b>100.0%</b>	<b>1,972</b>	<b>11.2</b>	<b>\$ 88.4</b>	<b>\$ 164,922</b>

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- (1) Includes properties in escrow subject to customary closing conditions and properties in certain states acquired at trustee auction subject to an extended closing period. Does not include properties in escrow subject to lender approval. Properties in escrow are typically not occupied at the closing date.
- (2) Estimated Total Investment represents our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee paid to AH LLC, if applicable. Estimated renovation costs represent the total costs we expect to incur to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.
- (3) Represents 19 markets in 11 states.

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**Quarterly Acquisition, Renovation and Leasing Rates**  
**(As of December 31, 2013)**

"Rent Ready" includes properties for which initial construction has been completed during each quarter.

"Leases Signed" includes the number of initial leases signed each quarter (includes Pre-Existing Leases).

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As of December 31, 2013, 17,328, or 74.5%, of our properties were leased, including leases on properties for which we have completed renovations and leases existing at the date of acquisition. The following table summarizes our leasing experience as of December 31, 2013.

### Our Leasing Experience

Market	Not Rent Ready(1)	Leased(2)	Available for Rent 30+ Days(3)	Available for Rent 90+ Days(4)	30+ Days Occupancy %(5)	90+ Days Occupancy %(6)	Average Annual Scheduled Rent Per Property
Dallas-Fort Worth, TX	268	1,554	1,667	1,583	93.2%	98.2%	\$ 17,523
Indianapolis, IN	224	1,479	1,656	1,601	89.3%	92.4%	14,717
Greater Chicago area, IL and IN	342	774	974	849	79.5%	91.2%	19,258
Atlanta, GA	187	1,093	1,144	1,119	95.5%	97.7%	15,902
Houston, TX	218	773	800	791	96.6%	97.7%	18,144
Phoenix, AZ	15	827	875	866	94.5%	95.5%	13,247
Cincinnati, OH	222	816	950	878	85.9%	92.9%	16,795
Jacksonville, FL	111	690	713	698	96.8%	98.9%	15,388
Nashville, TN	88	856	865	864	99.0%	99.1%	17,741
Charlotte, NC	81	883	915	901	96.5%	98.0%	15,728
All Other(6)	988	6,813	7,815	7,368	87.2%	92.5%	16,529
<b>Total / Average</b>	<b>2,744</b>	<b>16,558</b>	<b>18,374</b>	<b>17,518</b>	<b>90.1%</b>	<b>94.5%</b>	<b>\$ 16,444</b>

- 
- (1) Includes properties under renovation and excludes vacant properties available for lease and properties held for sale.
- (2) Includes leases on properties for which we have completed renovations and excludes 770 leases with tenants existing at the date of acquisition and leases on properties for which we have not completed renovations.
- (3) Available for Rent 30+ Days represents the number of properties that have been leased after we have completed renovations or are available for rent (i.e., "rent-ready") for a period of greater than 30 days.
- (4) Available for Rent 90+ Days represents the number of properties that have been leased after we have completed renovations or are available for rent (i.e., "rent-ready") for a period of greater than 90 days.
- (5) Occupancy percentage is computed by dividing the number of leased properties by the number of properties available for rent 30+ days.
- (6) Occupancy percentage is computed by dividing the number of leased properties by the number of properties available for rent 90+ days.
- (7) Represents 32 markets in 19 states.

**Housing Affordability and Construction Costs**

We believe that there is a potential for future home price appreciation due in part to the current high level of affordability of homes nationwide. The following graph sets forth the National Association of Realtors, or NAR, Housing Affordability Index values from January 1991 to January 2014. This index measures the degree to which a typical family can afford the monthly mortgage payments on a typical home. A typical home is defined as the national median-priced, existing single-family home as calculated by NAR. The typical family is defined as one earning the median family income as reported by the United States Census Bureau and the prevailing mortgage interest rate is the effective rate on loans closed on existing homes from the Federal Housing Finance Board. A value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index above 100 signifies that a family earning the median income has more than

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enough income to qualify for a mortgage loan on a median-priced home, assuming a 20% down payment. For example, a composite housing affordability index of 120.0 means a family earning the median family income has 120% of the income necessary to qualify for a conventional loan covering 80% of a median-priced existing single-family home.

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Source: Federal Reserve Bank of St. Louis Housing Affordability Index (Composite) (National Association of Realtors data).

We also believe that increasing construction costs may restrain new home construction and increase replacement costs, which could contribute to home price appreciation in the future. The following chart sets forth the Constant Quality (Laspeyres) Price Index of New Single-Family Houses Under Construction, as reported by the United States Census Bureau's Survey of Construction. This index attempts to quantify the cost of construction for a new house, relative to a baseline index value from 2005, using data for houses built for sale, contractor-built houses, owner-built houses and houses built for rent. For example, an index value of 106.0 for 2006 indicates that new construction of a single-family house was 6% more expensive in 2006 than it would have been for the same quality house in 2005. The value of land and other non-construction costs are excluded.

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Source: United States Census Bureau

### **Recent Developments**

#### *Acquisition Activity*

From January 1, 2014 through March 31, 2014, we acquired approximately 2,241 properties with an estimated total investment of approximately \$361.8 million. Of these recently acquired properties,





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approximately 63% and 84% are located in our top 10 and top 20 markets (based on total book value as of December 31, 2013), respectively. Approximately 47% of these properties acquired between January 1, 2014 and March 31, 2014 were purchased in foreclosure auctions and the balance through other acquisition channels. At March 31, 2014, we had approximately 532 properties in escrow with an estimated total investment of \$86.5 million. We expect that our future level of acquisition activity will fluctuate based on the number of suitable investments and on the level of funds available for investment.

### *Leasing and Renovation Activity*

From January 1, 2014 through March 31, 2014, we leased approximately 3,185 properties and made rent-ready approximately 2,605 properties. As of March 31, 2014, our total number of leased properties was approximately 20,666, our total portfolio occupancy rate was approximately 81% and our 90+ days rent-ready portfolio occupancy rate was greater than 95%.

### *Borrowings on Credit Facility*

From January 1, 2014 through April 25, 2014, the Company borrowed an additional \$366 million under the credit facility and made payments on the credit facility totaling \$25 million. On April 25, 2014, the credit facility had an outstanding balance of \$716 million.

### *Announcement of Appointment of Chief Financial Officer*

As previously disclosed, Peter J. Nelson, our former Chief Financial Officer, resigned his position with us to pursue other career interests, effective April 24, 2014. On April 28, 2014, our board of trustees appointed Diana Laing as our new Chief Financial Officer, effective May 18, 2014. Ms. Laing joins us from Thomas Properties Group, Inc. in Los Angeles, California. For more information about Ms. Laing, please see our Current Report on Form 8-K, filed with the SEC on April 29, 2014. The board also appointed David P. Singelyn, our Chief Executive Officer, to serve as Interim Chief Financial Officer (including as principal financial and accounting officer) from April 28, 2014 through May 18, 2014.

### *Concurrent Private Placement with Tamara Hughes Gustavson*

Concurrently with the completion of this offering, Tamara Hughes Gustavson, the daughter of the Chairman of our Board of Trustees, B. Wayne Hughes, will purchase \$5 million of our Series C Participating Preferred Shares in a private placement at the public offering price. This concurrent private placement is expected to close on the same day as this offering and is contingent upon completion of the offering. This offering is not contingent upon the closing of the concurrent private placement.

### *Securitization Transaction*

As previously announced, we have engaged advisors to assist in structuring and negotiating a securitization transaction secured by a portion of our portfolio of single-family properties. We expect to complete the transaction in the second quarter of 2014, subject to, among other matters, conditions in the capital markets, rating agency review and customary closing conditions, and expect that the transaction will be exempt from registration under the Securities Act of 1933, as amended, or the Securities Act. There can be no assurance regarding the potential size, pricing, extent of collateral or other terms of the securitization transaction, or that the contemplated transaction will be completed.

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**Our Structure**

We were formed as a Maryland REIT on October 19, 2012. The following chart illustrates our current organizational structure:

- 
- (1) Our trustees, our executive officers, our dedicated personnel and others have been granted 92,000 restricted share units and options to purchase an aggregate of 2,130,000 of our Class A common shares under the American Homes 4 Rent 2012 Equity Incentive Plan, or the 2012 Incentive Plan.
- (2) Consists of 6,860,783 Class A common shares and 635,075 Class B common shares.

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- (3) Consists of 13,787,292 Class A units, 31,085,974 Series C convertible units, 4,375,000 Series D units and 4,375,000 Series E units.

### **Summary Risk Factors**

An investment in our securities involves risks. Before investing in our securities, you should consider carefully the risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K, for the year ended December 31, 2013, filed with the SEC on March 26, 2014, which are incorporated by

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reference herein, and the risks related to this offering discussed below and described more fully under the caption "Risk Factors" in this prospectus.

The Series C Participating Preferred Shares have not been rated.

The Series C Participating Preferred Shares are newly issued securities with no established trading market, which may negatively affect their market value and your ability to transfer or sell your shares. We intend to apply to list the Series C Participating Preferred Shares on the NYSE, but we cannot assure you that the listing will be approved or that a trading market will develop or be sustained.

The Series C Participating Preferred Shares are subordinate to our debt and other liabilities, and your interests could be diluted by the issuance of additional preferred shares and by other transactions.

The various hypothetical figures and illustrations contained in this prospectus should not be taken as an indication or prediction of future investment results.

Changes in home prices reflected in the POI may have little or no correlation with the actual appreciation or depreciation of the homes in our portfolio, and the POI data for our top 20 markets that we will use to calculate the HPA Amount may have little or no correlation with the actual appreciation or depreciation of homes nationwide.

The cumulative change in HPA that occurs during the period measured for purposes of calculating the HPA Amount may differ from the cumulative change in HPA that occurs during the period for which the Series C Participating Preferred Shares are actually outstanding.

The FHFA may no longer publish or may materially change the methodology used in calculating the POI, which could adversely affect the value of our Series C Participating Preferred Shares.

An increase in market interest rates may cause the market price of the Series C Participating Preferred Shares to decrease.

If you own our Series C Participating Preferred Shares, you will not be entitled to any rights with respect to our common shares, but you will be subject to all changes made with respect to our common shares.

The Change of Control conversion feature of our Series C Participating Preferred Shares may not adequately compensate you and may make it more difficult for a third party to take over our company or discourage a third party from taking over our company.

There is no guarantee that any HPA Amount will accrue or be paid on the Series C Participating Preferred Shares.

The market price of Class A common shares received in a conversion of our Series C Participating Preferred Shares may decrease between the date received and the date the Class A common shares are sold.

Our ability to pay dividends is limited by the requirements of Maryland law.

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Broad market fluctuations could negatively impact the value of our Series C Participating Preferred Shares.

You should consider the United States federal income tax consequences of owning our Series C Participating Preferred Shares, including the potential for constructive distributions.

### **Organizational Information**

Our principal executive offices are located at 30601 Agoura Road, Suite 200, Agoura Hills, California 91301. Our main telephone number is (805) 413-5300. Our Internet website is <http://www.americanhomes4rent.com>. The contents of our website are not incorporated by reference in or otherwise a part of this prospectus.

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**THE OFFERING**

The offering terms are summarized below solely for your convenience. For a more complete description of the terms of the Series C Participating Preferred Shares, see "Description of Series C Participating Preferred Shares."

Issuer	American Homes 4 Rent, a Maryland REIT
Securities Offered	6,500,000 % Series C participating preferred shares of beneficial interest, \$0.01 par value per share, or Series C Participating Preferred Shares (plus up to an additional 975,000 Series C Participating Preferred Shares if the underwriters exercise their option to purchase additional shares in full). We reserve the right to reopen this series and issue additional Series C Participating Preferred Shares at any time either through public or private sales.
Ranking	The Series C Participating Preferred Shares will rank, with respect to dividend rights and rights upon our liquidation, dissolution or winding up:

senior to our common shares of beneficial interest, or our common shares, and to any other class or series of our equity shares expressly designated as ranking junior to the Series C Participating Preferred Shares;

on parity with any existing or future class of preferred or convertible preferred securities, including our Series A participating preferred shares of beneficial interest, \$0.01 par value per share, or Series A Participating Preferred Shares, and our Series B participating preferred shares of beneficial interest, \$0.01 par value per share, or Series B Participating Preferred Shares; and

junior to any debt securities and any equity shares expressly designated as ranking senior to the Series C Participating Preferred Shares.

Dividends	See "Description of Series C Participating Preferred Shares Ranking." Holders of the Series C Participating Preferred Shares will be entitled to receive cumulative cash dividends when, as and if authorized by our board of trustees from and including the issue date, payable quarterly in arrears on the last day of March, June, September and December of each year, at the rate of % per annum of the initial liquidation preference per share (equivalent to the fixed annual rate of \$ per share). The first dividend is scheduled to be paid on , 2014 to holders of record as of , 2014 and will be a pro rata dividend from and including the original issue date to but excluding , 2014. Dividends on the Series C Participating Preferred Shares will accumulate whether or not (i) we have earnings, (ii) there are funds legally available for the payment of such dividends and (iii) such dividends are authorized or declared. Prior to March 31, 2021, no dividends will accrue or be paid on any HPA Amount (as defined below).
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Voting Rights

On and after March 31, 2021, in lieu of the prior dividend rate, a dividend rate of 10.000% per annum will be paid on the initial liquidation preference per Series C Participating Preferred Share plus the HPA Amount, if any.

Holders of the Series C Participating Preferred Shares generally will have no voting rights. However, if we are in arrears on dividends, whether or not authorized or declared, on the Series C Participating Preferred Shares for six or more quarterly periods, whether or not consecutive, holders of Series C Participating Preferred Shares (voting separately as a class together with the holders of all other classes or series of preferred shares of beneficial interest, or preferred shares, ranking on parity with the Series C Participating Preferred Shares with respect to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up, or parity preferred shares, and upon which like voting rights have been conferred and are exercisable) will be entitled to elect two additional trustees at a special meeting called upon the request of at least 10% of such holders or at our next annual meeting and each subsequent annual meeting of shareholders to serve on our board of trustees until all unpaid dividends with respect to the Series C Participating Preferred Shares and such other classes or series of preferred shares with like voting rights have been paid or declared and set aside for payment. In addition, the affirmative vote or written consent of the holders of at least two-thirds of the outstanding Series C Participating Preferred Shares and each other class or series of parity preferred shares with like voting rights (voting together as a single class) is required for us to authorize, create or increase any class or series of equity shares ranking senior to the Series C Participating Preferred Shares or to amend any provision of our declaration of trust so as to materially and adversely affect the terms of the Series C Participating Preferred Shares. If such amendment to our declaration of trust does not equally affect the terms of the Series C Participating Preferred Shares and the terms of one or more other classes or series of parity preferred shares, the affirmative vote or written consent of the holders of at least two-thirds of the shares outstanding at the time of Series C Participating Preferred Shares, voting separately as a class, is required. Holders of the Series C Participating Preferred Shares also will have the exclusive right to vote on any amendment to our declaration of trust on which holders of the Series C Participating Preferred Shares are otherwise entitled to vote and that would alter only the rights, as expressly set forth in our declaration of trust, of the Series C Participating Preferred Shares. Among other things, we may, without any vote of the holders of our Series C Participating Preferred Shares, issue additional shares of Series C Participating Preferred Shares and may authorize and issue additional classes or series of parity equity securities.

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Restrictions on Ownership and Transfer

Due to limitations on the concentration of ownership of REIT shares imposed by the Internal Revenue Code of 1986, as amended, or the Code, subject to certain exceptions, our declaration of trust provides (and the Series C Participating Preferred Shares articles supplementary will provide) that no person may beneficially own more than 8.0% (in value or in number of shares, whichever is more restrictive) of our outstanding common shares or more than 9.9% (in value or in number of shares, whichever is more restrictive) of any class or series of our outstanding preferred shares. In addition, our declaration of trust prohibits (and the Series C Participating Preferred Shares articles supplementary will prohibit) any person from, among other matters, beneficially owning equity shares if such ownership would result in our being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a year); transferring equity shares if such transfer would result in our equity shares being owned by less than 100 persons; and beneficially owning equity shares if such beneficial ownership would otherwise cause us to fail to qualify as a REIT under the Code. Our board of trustees may exempt a person from the ownership limits if such person submits to the board of trustees certain information satisfactory to the board of trustees. See "Description of Series C Participating Preferred Shares Restrictions on Ownership and Transfer."

Use of Proceeds

We estimate that the net proceeds to us from the sale of our Series C Participating Preferred Shares in this offering will be approximately \$ million (or approximately \$ million if the underwriters exercise their option to purchase additional Series C Participating Preferred Shares in full), after deducting underwriting discounts and estimated offering expenses. We expect the proceeds from the concurrent private placement to be approximately \$5 million. We will contribute the net proceeds we receive from this offering and the concurrent private placement to our operating partnership in exchange for Series C participating preferred partnership units. Our operating partnership intends to use the net proceeds from this offering and the concurrent private placement (i) to repay the indebtedness we have incurred or expect to incur under our credit facility, and to the extent not used for that purpose, (ii) to acquire and renovate single-family properties in accordance with our business strategy described in this prospectus, and (iii) for general business purposes. See "Use of Proceeds."



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Liquidation Preference	<p>If we liquidate, dissolve or wind up, holders of our Series C Participating Preferred Shares will have the right to receive (i) \$25.00 per share, plus (ii) the HPA Amount (if positive), plus (iii) accrued and unpaid dividends (whether or not authorized or declared) to but excluding the date of payment before any distribution or payment is made to holders of our common shares and any other class or series of our equity shares ranking junior to the Series C Participating Preferred Shares as to liquidation, dissolution or winding up. The rights of holders of Series C Participating Preferred Shares to receive this amount will be subject to the proportionate rights of any other class or series of our equity shares ranking on parity with the Series C Participating Preferred Shares as to rights upon liquidation, dissolution or winding up, and junior to the rights of any class or series of our equity shares expressly designated as ranking senior to the Series C Participating Preferred Shares.</p>
Home Price Appreciation Amount	<p>The initial liquidation preference for the Series C Participating Preferred Shares may be increased by an additional amount, or the HPA Amount. The HPA Amount will equal the product of the \$25.00 initial liquidation preference and the Home Price Appreciation Factor, or HPA Factor, described below. However, the HPA Amount at any time after March 31, 2021 will be equal to the HPA Amount calculated with respect to the period ended December 31, 2020, and the HPA Amount will be subject to a cap as described below under the caption " HPA Amount Cap."</p> <p>The HPA Amount may be realized upon (i) exercise by us of our optional redemption right or conversion right after March 31, 2018, (ii) any conversion or redemption in connection with a Change of Control (as defined below) or (iii) liquidation, dissolution or winding up of the Company. In addition, on and after March 31, 2021, dividends will accrue on the HPA Amount, if any, added to the initial liquidation preference per Series C Participating Preferred Share.</p>
Home Price Appreciation Factor	<p>Home price appreciation, or HPA, represents the cumulative change in value from December 31, 2013 of an index based on the purchase prices of single-family homes located in our top 20 markets, by estimated total investment, as of July 31, 2013, as set forth in the table below. HPA is determined using a House Price Index of the Federal Housing Finance Agency, or FHFA, known as the Quarterly Purchase-Only Index, or POI, specifically the non-seasonally adjusted "Purchase-Only Index" for the "100 Largest Metropolitan Statistical Areas" currently disclosed at the following URL:</p> <p><a href="http://www.fhfa.gov/DataTools/Downloads/Documents/HPI/HPI_PO_metro.txt">http://www.fhfa.gov/DataTools/Downloads/Documents/HPI/HPI_PO_metro.txt</a>. The contents of the FHFA website are not incorporated by reference in or otherwise part of this prospectus. Other indices referenced in this prospectus will not be used in calculating the HPA Amount.</p>

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The POI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales of the same single-family properties. This information is obtained by reviewing repeat transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac since January 1975. Only mortgage transactions involving single-family homes are included. Conforming refers to a mortgage that both meets the underwriting guidelines of Fannie Mae or Freddie Mac and that does not exceed the conforming loan limit that is currently \$625,000 for mortgages in the contiguous United States originated after September 30, 2011. Conventional mortgages are those that are neither insured nor guaranteed by the FHA, VA or other federal government entities. Mortgages on properties financed by government-insured loans, such as FHA or VA mortgages, are excluded from the POI, as are properties with mortgages that have a principal amount exceeding the conforming loan limit.

The POI will be measured from a base date of December 31, 2013, using the data available as of April 1, 2014, notwithstanding any revisions by the FHFA in subsequent POI releases. The index values are weighted by our relative estimated total investments in each of our top 20 markets at July 31, 2013, and such weighting is fixed during the time the HPA Amount accrues. Cumulative HPA represents the sum of the 20 products of the change in HPA for each market since December 31, 2013 and the relative weighting, expressed as a percentage.

HPA Factor represents the product of the Cumulative HPA, as defined herein, (expressed as a percentage) multiplied by a constant investor participation percentage of 50%. The HPA Amount, at any time it is measured, cannot be negative, so the liquidation preference per Series C Participating Preferred Share will always be at least \$25.00.

The FHFA historically has released the POI for a given quarter near the end of the second month after the end of that quarter. We will make available each quarter the quarterly measurement showing the aggregate HPA Amount per Series C Participating Preferred Share for the most recently completed quarter and weighted by markets based on the POI provided by the FHFA. We will also provide updates and maintain such information on the "For Investors" page of our corporate website.

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If at any time prior to March 31, 2021, the FHFA no longer publishes the POI, or if the POI no longer covers one or more of our top 20 markets as of July 31, 2013, we will promptly make a good faith selection of a publicly available alternative index or indices after examining publicly available indices that are reasonably comparable to the POI to cover the market or markets no longer covered by the POI. If we select an alternative source or sources, we will disclose the new source for calculating the HPA Amount on the "For Investors" page of our corporate website and in a Current Report on Form 8-K filed with the SEC. If a suitable public alternative source or sources is not available, we will, at our option, either redeem or convert the Series C Participating Preferred Shares within 135 days after the date that the POI was last published, as described in "Description of Series C Participating Preferred Shares Redemption Redemption upon an Absence of Suitable Indices Event" (in the case of a redemption) or as described in "Description of Series C Participating Preferred Shares Conversion Rights Conversion upon an Absence of Suitable Indices Event" (in the case of a conversion). We refer to the absence of a suitable alternative source or sources herein as an Absence of Suitable Indices Event.

The following table summarizes our top 20 markets at July 31, 2013 by estimated total investment and assigns market weightings, which shall remain fixed while the Series C Participating Preferred Shares remain outstanding.

The following table also sets forth the historical percentage change in the HPA with respect to each of these markets for the period from December 31, 2011 to December 31, 2013 and the total weighted average percentage change in the HPA during that period. The table sets forth the methodology used to calculate the percentage change for each market and the total weighted average percentage change for all markets using the POI values for each market. In order to measure the percentage change from December 31, 2011, the actual POI value for each market as of December 31, 2011 has been set at a baseline value of 100.0. For the subsequent periods, the table sets forth the change in the POI value relative to the baseline value of 100.0. The information in this table is for illustrative purposes only, is historical, and is not intended to predict future HPA. See "Risk Factors The various hypothetical figures and illustrations contained in this prospectus should not be taken as an indication or prediction of future investment results" and "Risk Factors There is no guarantee that any HPA Amount will accrue or be paid on the Series C Participating Preferred Shares."

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Market	Relative Weighting Applied in Determining HPA(1)	FHFA POI Value										Percentage Change in HPA from Dec 31, 2012 to Dec 31, 2013
		Percentage Change in HPA from Dec 31, 2011 to Dec 31, 2012	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013	Jun 30, 2013	Sep 30, 2013	Dec 31, 2013		
Dallas-Fort Worth, TX(3)	9.507%	100.00	101.51	104.82	106.24	106.96	7.0%	107.76	113.10	114.74	116.08	8.5%
Indianapolis, IN	8.880%	100.00	96.12	102.69	100.37	98.88	-1.1%	102.78	106.75	109.21	106.85	8.1%
Greater Chicago Area, IL and IN(4)	7.679%	100.00	98.14	104.13	105.38	101.90	1.9%	103.00	112.11	112.93	113.87	11.7%
Atlanta, GA	7.545%	100.00	97.58	107.87	110.58	110.79	10.8%	115.22	123.41	126.60	126.99	14.6%
Nashville, TN	6.390%	100.00	96.49	104.34	105.49	105.67	5.7%	107.78	113.42	114.11	116.30	10.1%
Houston, TX	6.312%	100.00	102.63	107.71	110.01	111.65	11.7%	114.14	119.28	121.22	124.36	11.4%
Cincinnati, OH	6.119%	100.00	101.59	104.47	105.25	101.86	1.9%	102.00	107.80	110.28	107.58	5.6%
Salt Lake City, UT	5.495%	100.00	103.73	109.77	111.54	113.49	13.5%	118.04	123.77	124.66	123.81	9.1%
Tampa, FL	5.361%	100.00	101.60	108.50	109.59	109.87	9.9%	110.31	119.55	122.34	123.66	12.5%
Charlotte, NC	5.354%	100.00	97.24	104.42	104.70	101.19	1.2%	106.30	111.91	114.68	115.22	13.9%
Phoenix, AZ	5.270%	100.00	104.96	113.16	121.98	126.74	26.7%	130.25	140.64	146.06	148.67	17.3%
Jacksonville, FL	4.776%	100.00	96.27	98.46	102.59	99.21	-0.8%	107.19	108.83	111.06	112.19	13.1%
Las Vegas, NV	4.371%	100.00	99.60	105.21	111.03	119.32	19.3%	121.83	133.63	144.92	148.83	24.7%
Raleigh, NC	4.040%	100.00	100.27	101.78	102.84	100.35	0.4%	103.62	106.78	107.83	106.99	6.6%
Columbus, OH	3.167%	100.00	99.07	104.51	106.54	100.47	0.5%	102.92	108.58	112.35	109.13	8.6%
Orlando, FL	3.036%	100.00	105.94	107.12	113.24	116.86	16.9%	116.67	126.94	129.03	126.20	8.0%
Tucson, AZ	1.867%	100.00	103.10	112.70	118.10	117.92	17.9%	115.88	120.94	125.12	126.60	7.4%
Greensboro, NC	1.789%	100.00	96.93	99.47	103.76	101.48	1.5%	104.13	106.07	106.79	103.68	2.2%
Austin, TX	1.550%	100.00	101.73	106.40	108.47	108.05	8.1%	109.32	117.38	119.64	118.05	9.3%
San Antonio, TX	1.490%	100.00	96.29	104.18	100.58	106.70	6.7%	105.58	106.91	107.73	107.46	0.7%
<b>Total Weighted Average</b>	<b>100.0%</b>						<b>7.41%</b>					<b>10.88%</b>

- (1) Based on estimated total investment in each market as of July 31, 2013. These will be the weighting factors for measurement of HPA and will at no time change as it relates to the Series C Participating Preferred Shares.
- (2) For the illustrative purposes of this table, the HPA has been indexed as of December 31, 2011 and, as such, a baseline index value of 100.0 has been assigned to each market as of such date. The FHFA POI values with respect to the other periods presented are relative measures calculated in relation to the baseline index value. The actual HPA will be indexed as of December 31, 2013. See the table below for an illustration of how the HPA will be indexed as of December 31, 2013.
- (3) Our Dallas-Fort Worth, TX market is comprised of the Dallas-Plano-Irving and Fort Worth-Arlington Metropolitan Divisions, with each division being given equal weighting for purposes of determining HPA.
- (4) The home price index for the Greater Chicago Area, IL and IN market is Chicago-Naperville-Arlington Heights, IL.

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The following table sets forth, for each of our top 20 markets based on estimated total investment as of July 31, 2013, the actual POI value as of December 31, 2013, which is the date from which HPA will be measured for purposes of calculating the HPA Amount. The December 31, 2013 POI values are those that were available as of April 1, 2014, notwithstanding any revisions by the FHFA in subsequent POI releases. The table also sets forth the calculations performed in order to assign a baseline value of 100.0 for all markets as of December 31, 2013 for purposes of calculating the change in HPA for such markets relative to such date.

Market	Relative Weighting Applied in Determining HPA(1)	Actual POI Value as of Dec 31, 2013(2)	Multiplier Applied to Establish Baseline Value(3)	Assigned Baseline Value(4)
Dallas-Fort Worth, TX(5)	9.507%	192.60	0.519	100
Indianapolis, IN	8.880%	165.40	0.605	100
Greater Chicago, IL and IN(6)	7.679%	185.58	0.539	100
Atlanta, GA	7.545%	179.66	0.557	100
Nashville, TN	6.390%	237.75	0.421	100
Houston, TX	6.312%	251.00	0.398	100
Cincinnati, OH	6.119%	166.16	0.602	100
Salt Lake City, UT	5.495%	323.59	0.309	100
Tampa, FL	5.361%	218.28	0.458	100
Charlotte, NC	5.354%	193.47	0.517	100
Phoenix, AZ	5.270%	247.72	0.404	100
Jacksonville, FL	4.776%	216.03	0.463	100
Las Vegas, NV	4.371%	149.08	0.671	100
Raleigh, NC	4.040%	198.65	0.503	100
Columbus, OH	3.167%	180.44	0.554	100
Orlando, FL	3.036%	181.11	0.552	100
Tucson, AZ	1.867%	216.99	0.461	100
Greensboro, NC	1.789%	157.21	0.636	100
Austin, TX	1.550%	317.68	0.315	100
San Antonio, TX	1.490%	227.56	0.439	100

- (1) Based on estimated total investment in each market as of July 31, 2013. These will be the weighting factors for measurement of HPA and will at no time change as it relates to the Series C Participating Preferred Shares.
- (2) Represents the values as published in the POI for each market as of April 1, 2014. Such values will remain constant for purposes of calculating the HPA Amount, notwithstanding any revisions by the FHFA in subsequent POI releases.
- (3) In order to index the POI value for each market as of December 31, 2013, which is the date from which the cumulative change in HPA will be measured for purposes of calculating the HPA Amount, the POI value for each market as of such date is being assigned a baseline index value of 100.0 by multiplying each by the multiplier indicated in the table above. The multipliers set forth above are presented solely for the purpose of indicating the numerical relationship between the actual POI value for each of the markets and the indexed baseline value of 100.0 for such markets. The multipliers will remain constant throughout the term of the Series C Participating Preferred Shares and have not and will not be adjusted to reflect any revisions by the FHFA of the POI values for each market as of December 31, 2013 subsequent to April 1, 2014.

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- (4) Equals the product of the actual POI value for each market as of December 31, 2013, multiplied by the baseline multiplier for each market.
- (5) Our Dallas-Fort Worth, TX market is comprised of the Dallas-Plano-Irving and Fort Worth-Arlington Metropolitan Divisions, with each division being given equal weighting for purposes of determining HPA.
- (6) The home price index for the Greater Chicago Area, IL and IN market is Chicago-Naperville-Arlington Heights, IL.

The following table illustrates how HPA, as measured by the FHFA's POI, would be applied for purposes of determining the liquidation preference, dividend amounts and annual and total return for the Series C Participating Preferred Shares based on the following hypothetical assumptions:

That the Series C Participating Preferred Shares were issued on March 31, 2014.

Constant annual HPA of 5%.

Dividend rate per annum of 5.500% for the period from the date of issuance to but excluding March 31, 2021.

Dividend rate per annum of 10.000% for the period from and including March 31, 2021 until the Series C Participating Preferred Shares are no longer outstanding.

That during the period presented, there is no liquidation, dissolution or winding up of the Company and that the Company does not exercise its option to redeem or convert the Series C Participating Preferred Shares.

The information in this table is for illustrative purposes only and is not intended to predict future home price appreciation, liquidation preferences, dividend amounts or return on investment. See "Risk Factors The various hypothetical figures and illustrations contained in this prospectus should not be taken as an indication or prediction of future investment results" and "Risk Factors There is no guarantee that any HPA Amount will accrue or be paid on the Series C Participating Preferred Shares."

Table of Contents**Illustrative Effect of Hypothetical HPA and Hypothetical Dividend Rate on Series C Participating Preferred Shares**

Year	Date	Cumulative Hypothetical HPA		Investor Participation Percentage	Hypothetical HPA Factor	Hypothetical HPA Amount	Hypothetical Liquidation Preference(1)	Hypothetical Dividend(2)		Hypothetical Return %	
		HPA	Percentage					Annual	Gross(3)		
Offering	March 31, 2014(4)						\$25.00				
Year 1(5)	March 31, 2015	5.0%	50%	2.5%	\$0.63	\$25.63	\$1.375	8.00%	8.00%		
Year 2(5)	March 31, 2016	10.0%	50%	5.0%	\$1.25	\$26.25	\$1.375	8.00%	16.00%		
Year 3(5)	March 31, 2017	15.0%	50%	7.5%	\$1.88	\$26.88	\$1.375	8.00%	24.00%		
Year 4(5)	March 31, 2018	20.0%	50%	10.0%	\$2.50	\$27.50	\$1.375	8.00%	32.00%		
Year 5(6)	March 31, 2019	25.0%	50%	12.5%	\$3.13	\$28.13	\$1.375	8.00%	40.00%		
Year 6(6)	March 31, 2020	30.0%	50%	15.0%	\$3.75	\$28.75	\$1.375	8.00%	48.00%		
Year 7(6)	March 31, 2021	35.0%	50%	17.5%	\$4.38	\$29.38	\$1.375	8.00%	56.00%		
Year 8(7)	March 31, 2022	40.0%	N/A		\$4.38	\$29.38	\$2.938	11.75%	67.75%		
Year 9(7)	March 31, 2023	45.0%	N/A		\$4.38	\$29.38	\$2.938	11.75%	79.50%		
Year 10(7)	March 31, 2024	50.0%	N/A		\$4.38	\$29.38	\$2.938	11.75%	91.25%		

- (1) Reflects the initial liquidation preference as increased by the hypothetical HPA Amount. The HPA Amount is subject to a cap such that the total internal rate of return, when considering the initial liquidation preference, the HPA Amount (if positive), plus dividends (whether paid or accrued) to, but excluding, the date of redemption, conversion or liquidation, will not exceed 9.0%. On March 31, 2021, the HPA Amount will become fixed (based on the HPA Amount calculated with respect to the period ended December 31, 2020) and cease to accrue and the dividend yield will increase to 10.00% per annum on the liquidation preference plus the HPA Amount. Such cap would apply (i) in the event of a liquidation, dissolution or winding up of the Company, (ii) if we exercise our option to redeem or convert the Series C Participating Preferred Shares prior to March 31, 2021 or (iii) on March 31, 2021, which is the date on which dividends begin to accrue on the initial liquidation preference plus the HPA Amount (if any). To illustrate the application of the cap, assuming a 10% rather than a 5% Cumulative Hypothetical HPA, and assuming that we have not redeemed or converted the Series C Participating Preferred Shares or liquidated, on December 31, 2020, the Hypothetical HPA Amount would be fixed at \$7.65, reflecting a 9.0% internal rate of return.
- (2) Hypothetical Dividend for years 1 through 7 assumes a hypothetical dividend rate per annum of 5.500%. The actual dividend rate per annum for the Series C Participating Preferred Shares may be greater or less than 5.500%, in which case the actual dividends, and annual and gross returns, would differ from those presented in the table above.
- (3) Calculated as (A) cumulative dividends plus (i) hypothetical accrued HPA Amount (for periods prior to March 31, 2021) or (ii) the difference between the initial price of \$25.00 and the Adjusted Value (for periods after March 31, 2021) divided by (B) the \$25.00 issue price per Series C Participating Preferred Share.
- (4) The actual measuring date for the index will be from December 31, 2013. The March 31, 2014 measuring date is for illustrative purposes only.
- (5)

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Prior to April 1, 2018, the Series C Participating Preferred Shares are not convertible or redeemable.

- (6) From and after April 1, 2018, the Series C Participating Preferred Shares are redeemable and convertible at our option. See "Description of Series C Participating Preferred Shares - Redemption" and "Description of Series C Participating Preferred Shares - Conversion Rights."
- (7) From and after March 31, 2021, the HPA Amount will equal the HPA Amount calculated with respect to the period ended December 31, 2020, and will thereafter remain fixed at that amount. From and after March 31, 2021, a dividend rate of 10.000% per annum will be applied to the sum of the \$25.00 liquidation preference and the HPA Amount calculated with respect to the period ended December 31, 2020.

### HPA Amount Cap

Until March 31, 2021, the amount payable upon any conversion, redemption or liquidation event will be subject to a cap, such that the total internal rate of return, when considering the initial liquidation preference, the HPA Amount (if positive), plus dividends (whether paid or accrued) to, but excluding, the date of redemption, conversion or liquidation, will not exceed 9.0%. On March 31, 2021, the HPA Amount will become fixed (based on the HPA Amount calculated with respect to the period ended December 31, 2020) and cease to accrue and the dividend yield will increase to 10.000% per annum on the liquidation preference plus the HPA Amount.



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Redemption at Our Option

We may not redeem the Series C Participating Preferred Shares until after March 31, 2018, except in limited circumstances relating to maintaining our qualification as a REIT, as described in "Description of Series C Participating Preferred Shares Redemption Redemption at Our Option" in this prospectus and pursuant to the special optional redemption provisions upon a change in control that are specified below.

Any time after March 31, 2018 but before March 31, 2021, we may redeem for cash all but not less than all of the Series C Participating Preferred Shares at a redemption price per Series C Participating Preferred Share equal to the sum of the initial liquidation preference, and any HPA Amount (if positive) plus accrued and unpaid dividends (whether or not authorized or declared) to, but excluding, the redemption date.

At any time on or after March 31, 2021, we may redeem for cash all but not less than all of the Series C Participating Preferred Shares at a redemption price per share equal to the initial liquidation preference of \$25.00 per share, plus the HPA Amount (if positive) calculated with respect to the period ended December 31, 2020, plus any accrued but unpaid dividends. The initial liquidation preference of \$25.00 plus the HPA Amount calculated with respect to the period ended December 31, 2020, is referred to as the Adjusted Value.

Conversion at Our Option

At any time after March 31, 2018, we may convert all but not less than all of the Series C Participating Preferred Shares into our Class A common shares. The conversion ratio for such one-time conversion will be determined by a formula and cannot be determined until the conversion date. See "Description of Series C Participating Preferred Shares Conversion Rights Conversion at Our Option."

If such one-time conversion were to occur after March 31, 2018 but before March 31, 2021, the formula for determining the conversion ratio per Series C Participating Preferred Share will be the sum of (i) the initial liquidation preference, (ii) the HPA Amount for the relevant period (if positive) and (iii) any accrued and unpaid dividends to, but excluding, the conversion date (to occur on the fourth business day following the notice of conversion), divided by the one-day volume-weighted average price of our Class A common shares on the NYSE, or VWAP, as reported by Bloomberg, if available, on the date the notice of conversion is issued.

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Special Redemption Option upon a Change of Control

If such one-time conversion occurs on or after March 31, 2021, the formula for determining the conversion ratio will be (i) the Adjusted Value, plus any accrued and unpaid dividends to, but excluding, the conversion date, divided by (ii) the VWAP as reported by Bloomberg, if available, on the date the notice of conversion is issued.

Any Class A common shares issued in connection with a conversion described in this section will be registered under the Securities Act and listed on the NYSE or other national exchange.

Upon the occurrence of a Change of Control (as defined below), we may redeem for cash all but not less than all of the Series C Participating Preferred Shares within 120 days after the date on which such Change of Control occurred, at a price equal to the sum of (i) the initial liquidation preference, (ii) the HPA Amount (if positive) and (iii) an amount per Series C Participating Preferred Share equal to all dividends (whether or not authorized or declared) accrued and unpaid thereon to, but excluding, the date of final distribution to such holders, to, but excluding, the redemption date. If, prior to the Change of Control Conversion Date (as defined herein), we exercise our optional redemption rights relating to the Series C Participating Preferred Shares, the holders of Series C Participating Preferred Shares will not be permitted to exercise the conversion right described below.

A "Change of Control" means, after the initial issuance of the Series C Participating Preferred Shares, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of securities of the Company entitling that person to exercise more than 50% of the total voting power of all shares of beneficial interest of the Company entitled to vote generally in the election of our trustees (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

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Conversion Rights of Holders in Connection  
with a Change of Control

following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE MKT or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

Upon the occurrence of a Change of Control, each holder of Series C Participating Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series C Participating Preferred Shares) to convert some or all of the Series C Participating Preferred Shares held by such holder on the Change of Control Conversion Date into a number of our Class A common shares per Series C Participating Preferred Share equal to the lesser of:

the quotient obtained by dividing (i) the sum of (x) the initial liquidation preference plus (y) the HPA Amount for the relevant period (if positive) plus (z) any accrued and unpaid dividends (whether or not declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series C Participating Preferred Shares dividend payment for which full dividends have been declared and prior to the corresponding Series C Participating Preferred Shares dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum and such declared dividend will instead be paid, on such dividend payment date, to the holder of record of the Series C Participating Preferred Shares to be converted as of 5:00 p.m. New York City time, on such record date) by (ii) the Class A Share Price; and

(i.e., the Share Cap), subject to certain adjustments; subject, in each case, to provisions for the receipt of alternative consideration as described in this prospectus.

If, prior to the Change of Control Conversion Date, we have provided or provide a redemption notice, pursuant to our right of redemption in connection with a Change of Control, holders of Series C Participating Preferred Shares will not have any right to convert the Series C Participating Preferred Shares in connection with the Change of Control Conversion Right and any Series C Participating Preferred Shares selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

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	<p>For definitions of "Change of Control Conversion Right," "Change of Control Conversion Date" and "Class A Share Price" and for a description of the adjustments and provisions for the receipt of alternative consideration that may be applicable to the Change of Control Conversion Right, see "Description of Series C Participating Preferred Shares - Conversion Rights."</p>
Listing	<p>We intend to apply to list the Series C Participating Preferred Shares on the NYSE under the symbol "AMHPRC." If the listing application is approved, we expect trading of the Series C Participating Preferred Shares to commence within 30 days after initial delivery of the shares.</p>
Settlement	<p>The underwriters expect to deliver the Series C Participating Preferred Shares against payment therefor through The Depository Trust Company on or about _____, 2014, which is the third business day following the pricing of this offering.</p>
Risk Factors	<p>Investing in our Series C Participating Preferred Shares involves various risks. You should read carefully and consider the risks discussed under the caption "Risk Factors" beginning on page 26 of this prospectus and the "Risk Factors" in Part I, Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 26, 2014 and incorporated by reference herein, before making a decision to invest our Series C Participating Preferred Shares.</p>

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**SELECTED FINANCIAL DATA**

The following table presents selected historical consolidated financial information as of December 31, 2013, 2012 and 2011 and for the years ended December 31, 2013 and 2012 and for the period from June 23, 2011 to December 31, 2011. The selected financial data below has been derived from our consolidated financial statements, as adjusted for the impact of subsequent accounting changes requiring retrospective application, if any, and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, including the related notes, which are incorporated by reference into this prospectus from our Annual Report on Form 10-K for the year ended December 31, 2013. Under the provisions of ASC 805, *Business Combinations*, we have reflected transactions between businesses under common control retroactively based on the date AH LLC commenced acquiring properties, June 23, 2011. As such, the statements of operations reflect activity prior to our date of formation, and the properties contributed to us by AH LLC are reflected retroactively on the balance sheets based on AH LLC's net book value. Therefore, our selected financial data may not be indicative of our past or future results and does not reflect our financial position or results of operations had it been presented as if we had been operating independently during the period presented.

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**Consolidated Statements of Operations Data**  
(Amounts in thousands, except share information)

	For the Years Ended December 31,		For the Period From
	2013	2012	June 23, 2011 to December 31, 2011
<b>Revenues:</b>			
Rents from single-family properties	\$ 132,722	\$ 4,540	\$ 65
Other revenues from single-family properties	5,227		
Other	1,083		
<b>Total revenues</b>	<b>139,032</b>	<b>4,540</b>	<b>65</b>
<b>Expenses:</b>			
Property operating expenses			
Leased single-family properties	51,411	1,744	27
Vacant single-family properties and other	22,341	1,846	12
General and administrative expense	8,845	7,199	47
Advisory fees	6,352	937	
Interest expense	370		
Noncash share-based compensation expense	1,079	70	
Acquisition fees and costs expensed	4,799	869	
Depreciation and amortization	70,987	2,111	21
<b>Total expenses</b>	<b>166,184</b>	<b>14,776</b>	<b>107</b>
Gain on remeasurement of equity method investment	10,945		
Remeasurement of Series E units	(2,057)		
Remeasurement of Preferred shares	(1,810)		
Loss from continuing operations	(20,074)	(10,236)	(42)
Income from discontinued operations	1,008		
Net loss	(19,066)	(10,236)	(42)
Noncontrolling interest	13,245		
Dividends on preferred shares	1,160		
Conversion of preferred units	10,456		
<b>Net loss attributable to common shareholders</b>	<b>\$ (43,927)</b>	<b>\$ (10,236)</b>	<b>\$ (42)</b>
<b>Weighted average shares outstanding basic and diluted</b>	<b>123,592,086</b>	<b>7,225,512</b>	<b>3,301,667</b>

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Net loss per share basic and diluted:

Loss from continuing operations	\$	(0.37)	\$	(1.42)	\$	(0.01)
Discontinued operations		0.01				

Net loss attributable to common shareholders per share basic and diluted	\$	(0.36)	\$	(1.42)	\$	(0.01)
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Table of Contents**Consolidated Balance Sheets Data**

(Amounts in thousands)

	December 31,		
	2013	2012	2011
Single-family properties, net	\$ 3,861,422	\$ 505,713	\$ 3,495
Cash and cash equivalents	148,989	397,198	
Restricted cash for resident security deposits	26,430		
Rent and other receivables, net	6,863	6,586	11
Escrow deposits, prepaid expenses and other assets	39,212	11,961	17
Deferred costs and other intangibles, net	20,573		
Goodwill	120,655		
Total assets	\$ 4,224,144	\$ 921,458	\$ 3,523
Total liabilities	\$ 573,485	\$ 16,294	\$ 49
Total equity	3,650,659	905,164	3,474
Total liabilities and equity	\$ 4,224,144	\$ 921,458	\$ 3,523

**Selected Other Portfolio Data**

	December 31,		
	2013	2012	2011
Leased single-family properties	17,328	1,164	19
Vacant single-family properties available for lease	3,152	623	2
Single-family properties being renovated	2,744	1,857	12
Single-family properties held for sale	44		
Total single-family properties owned	23,268	3,644	33



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**RISK FACTORS**

*An investment in our Series C Participating Preferred Shares involves a high degree of risk. Before making an investment decision, you should carefully consider the risk factors, described below and in the documents incorporated by reference in this prospectus, including those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013. If any of the risks discussed in, or incorporated by reference into, this prospectus occur, our business, prospects, financial condition, results of operations and our ability to make cash distributions to our shareholders could be materially and adversely affected. In that case, the trading price of our Series C Participating Preferred Shares could decline significantly, and you could lose all or part of your investment. Some statements contained in, or incorporated by reference into, this prospectus, including statements in certain risk factors, constitute forward-looking statements. Please refer to the section entitled "Forward-Looking Statements."*

**Risks Related to This Offering and Ownership of Our Series C Participating Preferred Shares**

*The Series C Participating Preferred Shares have not been rated.*

We have not sought to obtain a rating for the Series C Participating Preferred Shares. However, no assurance can be given that one or more rating agencies might not independently determine to issue such a rating or that such a rating, if issued, would not adversely affect the market price of the Series C Participating Preferred Shares. In addition, we may elect in the future to obtain a rating of the Series C Participating Preferred Shares, which could adversely impact the market price of the Series C Participating Preferred Shares. Ratings only reflect the views of the rating agency or agencies issuing the ratings, and such ratings could be revised downward or withdrawn entirely at the discretion of the issuing rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the Series C Participating Preferred Shares.

*The Series C Participating Preferred Shares are newly issued securities with no established trading market, which may negatively affect their market value and your ability to transfer or sell your shares. We intend to apply to list the Series C Participating Preferred Shares on the NYSE, but we cannot assure you that the listing will be approved or that a trading market will develop or be sustained.*

The Series C Participating Preferred Shares are newly issued securities with no established trading market. We intend to apply to list the Series C Participating Preferred Shares on the NYSE, but we cannot assure you that the Series C Participating Preferred Shares will be approved for listing. An active trading market on the NYSE for the Series C Participating Preferred Shares may not develop or, even if it develops, may not be sustained, in which case the trading price of the Series C Participating Preferred Shares could be adversely affected. In addition, the Series C Participating Preferred Shares offered hereby are a different security than our Series A and Series B Participating Preferred Shares and, as such, the past, current or future trading price of our Series A and Series B Participating Preferred Shares may not be indicative of the potential value or trading price of our Series C Participating Preferred Shares.

The price of our Series C Participating Preferred Shares could be subject to wide fluctuations in response to a number of factors, including those listed in this "Risk Factors" section of this prospectus, our financial performance, government regulatory action or inaction, tax laws, interest rates and general market conditions and others such as:

actual or anticipated variations in our quarterly operating results, financial condition, liquidity or changes in business strategy or prospects;

equity issuances by us or resales by our shareholders, or the perception that such issuances or resales may occur;

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increases in market interest rates that may lead investors to demand a higher dividend yield or seek alternative investments paying higher rates;

publication of research reports about us or the real estate industry;

changes in market valuations of similar companies;

changes in home prices reflected in the POI;

adverse market reaction to any increased indebtedness we incur in the future;

additions or departures of key personnel;

actions by shareholders;

speculation in the press or investment community;

general market, economic and political conditions, including an economic slowdown or dislocation in the global credit or capital markets;

our operating performance and the performance of other similar companies;

failure to maintain our REIT qualification;

changes in accounting principles or actual or anticipated accounting problems; and

passage of legislation or other regulatory developments that adversely affect us or our industry.

***The Series C Participating Preferred Shares are subordinate to our debt and other liabilities, and your interests could be diluted by the issuance of additional preferred shares and by other transactions.***

As of December 31, 2013, our total indebtedness was approximately \$375 million, and our other liabilities (other than indebtedness) were approximately \$198 million. We may incur significant additional debt to finance future acquisition activities as well as additional liabilities in operating our business. The Series C Participating Preferred Shares are subordinate to all of our existing and future debt, including borrowings under our credit facility and any indebtedness that we may incur in connection with the proposed securitization. See "Prospectus Summary Recent Developments." Our existing debt restricts, and our future debt may include restrictions on, our ability to pay dividends to preferred shareholders in the event of a default under the debt facilities. Our declaration of trust currently authorizes the issuance of up to 100,000,000 preferred shares of beneficial interest in one or more series, of which 9,460,000 preferred shares of beneficial interest are currently outstanding. The issuance of additional preferred shares of beneficial interest on parity with or senior to the Series C Participating Preferred Shares would dilute the interests of the holders of the Series C Participating Preferred Shares, and any issuance of preferred shares of beneficial interest senior to the Series C Participating Preferred Shares or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on the Series C Participating Preferred Shares. Other than the conversion right afforded to holders of Series C Participating Preferred Shares upon the occurrence of a Change of Control as described under "Description of Series C Participating Preferred Shares Conversion Rights" and other than the limited voting rights as described under "Description of Series C Participating Preferred

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Shares Voting Rights," none of the provisions relating to the Series C Participating Preferred Shares relate to or limit our indebtedness or afford the holders of the Series C Participating Preferred Shares protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all of our assets or business, that might adversely affect the holders of the Series C Participating Preferred Shares.

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***The various hypothetical figures and illustrations contained in this prospectus should not be taken as an indication or prediction of future investment results.***

The various hypothetical figures and illustrations contained in this prospectus are intended merely to illustrate the impact that such hypothetical terms could have on the liquidation preference, dividend amounts and the return on investment with respect to the Series C Participating Preferred Shares. Such hypothetical figures and illustrations should not be taken as an indication or prediction of future investment results. The actual amount of HPA and the resulting liquidation preference, dividend amounts and return on the Series C Participating Preferred Shares may bear little or no relation to the hypothetical figures and illustrative examples contained in this prospectus. The POI from which the HPA Amount will be derived has been highly volatile in the past, meaning that the index level has changed considerably in relatively short periods, and its performance cannot be predicted for any future period.

***Changes in home prices reflected in the POI may have little or no correlation with the actual appreciation or depreciation of the homes in our portfolio, and the POI data for our top 20 markets that we will use to calculate the HPA Amount may have little or no correlation with the actual appreciation or depreciation of homes nationwide.***

The POI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales of the same single-family properties. This information is obtained by reviewing repeat transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac since January 1975. Only mortgage transactions involving single-family homes are included. Conforming refers to a mortgage that both meets the underwriting guidelines of Fannie Mae or Freddie Mac and that does not exceed the conforming loan limit, which is currently \$625,000 for mortgages in the contiguous United States originated after September 30, 2011. Conventional mortgages are those that are neither insured nor guaranteed by the FHA, VA or other federal government entities. Mortgages on properties financed by government-insured loans, such as FHA or VA mortgages, are excluded from the POI, as are properties with mortgages whose principal amount exceeds the conforming loan limit. The location, size, and other characteristics of the single-family homes used to calculate the POI may differ substantially from the single-family homes in our portfolio and changes in the prices of the single-family homes used to calculate the POI may be substantially different than the changes in prices of the single-family homes in our portfolio. There can be no assurance that any of the single-family homes in our portfolio actually are included or will be included in the POI. In addition, the weightings that have been assigned to our top 20 markets calculated as of July 31, 2013 for purposes of calculating the HPA Amount reflect the concentration of our ownership of homes in such markets only as of such date. The markets in which we own homes have changed and are likely to continue to change in the future, while the relative weightings that we have assigned for the purposes of calculating the HPA Amount will not. Additionally, since we are using the POI only with respect to specific markets, the POI may reflect home price appreciation or depreciation trends in those markets that are substantially different from those across the nation. As such, the appreciation or depreciation reflected in the POI for our top 20 markets that we will use to calculate the HPA Amount may have little or no correlation with the appreciation or depreciation of homes nationwide.

***The cumulative change in HPA that occurs during the period measured for purposes of calculating the HPA Amount may differ from the cumulative change in HPA that occurs during the period for which the Series C Participating Preferred Shares are actually outstanding.***

The HPA Amount will be calculated by measuring the cumulative change in HPA from December 31, 2013 through the end of the most recent quarter for which POI values are available. As such, the measurement period used to calculate the HPA Amount (i) will include a period of time during which the Series C Participating Preferred Shares were not yet outstanding (i.e., the period from

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January 1, 2014 through the issue date) and (ii) with respect to a redemption or conversion of the Series C Participating Preferred Shares or a liquidation, dissolution or winding up of the Company prior to April 1, 2021, will not include a period of time during which the Series C Participating Preferred Shares were outstanding (i.e., the period from the end of the most recent quarter for which POI values are available through the date of such redemption, conversion or liquidation). The cumulative change in HPA that occurs during the period measured for purposes of calculating the HPA Amount may differ from the cumulative change in HPA that occurs during the period for which the Series C Participating Preferred Shares are actually outstanding. As a result, the HPA Amount (if any) may be more or less than it would have been if it had been calculated with respect to the period during which the Series C Participating Preferred Shares were actually outstanding. Furthermore, the HPA Amount will be determined by measuring the cumulative change in HPA from December 31, 2013 and will be calculated using the POI data for December 31, 2013 that was available as of April 1, 2014, notwithstanding the fact that the FHFA may update such data in the future.

***The FHFA may no longer publish or may materially change the methodology used in calculating the POI, which could adversely affect the value of our Series C Participating Preferred Shares.***

As described under "Prospectus Summary The Offering Home Price Appreciation Factor," the HPA Amount is calculated by reference to the POI. If the FHFA no longer publishes the POI or eliminates from the POI one or more of our top 20 markets as of July 31, 2013, we will make a good faith selection of a publicly available alternative index or indices (if more than one source is required to cover all 20 markets) to capture this data after examining publicly available indices that are reasonably comparable to the POI. If we select an alternative source or sources, we will disclose the new source for calculating the HPA Amount on the "For Investors" page of our corporate website and in a Current Report on Form 8-K filed with the SEC. In the event that a suitable public alternative source or sources is not available, we will, at our option, either redeem or convert the Series C Participating Preferred Shares within 135 days after the date that the POI was last published, at a redemption price (if a redemption) calculated in a manner consistent with the redemption price described in "Description of Series C Participating Preferred Shares Redemption Redemption at Our Option" or at a conversion price (if a conversion) calculated in a manner consistent with the conversion price described in "Description of Series C Participating Preferred Shares Conversion Rights Conversion at Our Option." We will make appropriate amendments and disclosures of any alternative sources and results but may be unable to replicate the methodology used by the FHFA in calculating the POI or produce the same results. Furthermore, a material change in the methodology used by the FHFA in calculating the POI will not result in the selection of an alternative source or sources. As a result, if the FHFA does not publish the POI for all of our top 20 markets as of July 31, 2013 using the same methodology throughout the measurement period, the HPA Amount at the time of measurement may be negatively impacted, which may adversely affect the value of our Series C Participating Preferred Shares.

***An increase in market interest rates may cause the market price of the Series C Participating Preferred Shares to decrease.***

One of the factors that will influence the price of the Series C Participating Preferred Shares will be the dividend yield on the Series C Participating Preferred Shares (as a percentage of the price of the Series C Participating Preferred Shares, as applicable) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of the Series C Participating Preferred Shares to expect a higher dividend yield and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of the Series C Participating Preferred Shares to decrease.

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***If you own our Series C Participating Preferred Shares, you will not be entitled to any rights with respect to our common shares, but you will be subject to all changes made with respect to our common shares.***

If you own our Series C Participating Preferred Shares, you will not be entitled to any rights with respect to our common shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common shares), but you will be subject to all changes affecting the common shares. You will have rights with respect to our common shares only if and when we deliver common shares to you upon conversion of your Series C Participating Preferred Shares and, in certain cases, under the conversion rate adjustments applicable to our Series C Participating Preferred Shares. For example, in the event that an amendment is proposed to our declaration of trust requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the delivery of common shares to you following a conversion, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common shares.

***The Change of Control conversion feature of our Series C Participating Preferred Shares may not adequately compensate you and may make it more difficult for a third party to take over our company or discourage a third party from taking over our company.***

Upon the occurrence of a Change of Control, holders of the Series C Participating Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series C Participating Preferred Shares) to convert some or all of their Series C Participating Preferred Shares into our Class A common shares (or equivalent value of alternative consideration). See "Description of Series C Participating Preferred Shares Conversion Rights." Upon such a conversion, the holders will be limited to a maximum number of our Class A common shares equal to the conversion value (equal to the liquidation preference (including any HPA Amount) and unpaid and accrued dividends) divided by the closing price on the date of the event triggering the Change of Control.

The Change of Control conversion features of the Series C Participating Preferred Shares may have the effect of discouraging a third party from making an acquisition proposal for our company or of delaying, deferring or preventing certain change of control transactions of our company under circumstances that shareholders may otherwise believe is in their best interests.

***There is no guarantee that any HPA Amount will accrue or be paid on the Series C Participating Preferred Shares.***

There is no guarantee that home prices in the markets used to calculate the HPA Amount will appreciate at current or historical levels, or at all, or that any HPA Amount will accrue on our Series C Participating Preferred Shares. If the HPA Factor, determined using the POI produced by the FHFA, is zero or negative, no HPA Amount will accrue. As a result, the HPA may not be realized upon (i) exercise by us of our optional redemption right or conversion right after March 31, 2018, (ii) any conversion or redemption in connection with a change in control or (iii) our liquidation, dissolution or winding up.

***The market price of Class A common shares received in a conversion of our Series C Participating Preferred Shares may decrease between the date received and the date the Class A common shares are sold.***

The market price of Class A common shares received in a conversion may decrease between the date received and the date the Class A common shares are sold. The stock markets, including the NYSE, have experienced significant price and volume fluctuations. As a result, the market price of our Class A common shares is likely to be similarly volatile, and recipients of our Class A common shares may experience a decrease in the value of their shares, including decreases unrelated to our operating

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performance or prospects. The price of our Class A common shares could be subject to wide fluctuations in response to a number of factors, including sales of Class A common shares by other shareholders who received Class A common shares in respect of their Series C Participating Preferred Shares, our financial performance, government regulatory action or inaction, tax laws, interest rates and general market conditions and other factors. See " The Series C Participating Preferred Shares are newly issued securities with no established trading market, which may negatively affect their market value and your ability to transfer or sell your shares. We intend to apply to list the Series C Participating Preferred Shares on the NYSE, but we cannot assure you that the listing will be approved or that a trading market will develop or be sustained."

***Our ability to pay dividends is limited by the requirements of Maryland law.***

Our ability to pay dividends on the Series C Participating Preferred Shares is limited by Maryland law. Under applicable Maryland law, a Maryland corporation generally may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as the debts become due in the usual course of business, or the corporation's total assets would be less than the sum of its total liabilities plus, unless the corporation's declaration of trust provides otherwise, the amount that would be needed, if the corporation were dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. Accordingly, we generally may not make a distribution on the Series C Participating Preferred Shares if, after giving effect to the distribution, we would not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus, unless the terms of such class or series provide otherwise, the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of shares of any class or series of preferred shares of beneficial interest then outstanding, if any, with preferences senior to those of the Series C Participating Preferred Shares.

***Broad market fluctuations could negatively impact the value of our Series C Participating Preferred Shares.***

The stock market has recently experienced extreme price and volume fluctuations that have affected the market price of many companies in industries similar or related to ours and that have been unrelated to these companies' operating performance. These broad market fluctuations could negatively impact the market price of our common shares, which could in turn reduce the value of our Series C Participating Preferred Shares. Furthermore, our operating results and prospects may be below the expectations of public market analysts and investors or may be lower than those of companies with comparable market capitalizations. Either of these factors could lead to a material decline in the value of our Series C Participating Preferred Shares.

***You should consider the United States federal income tax consequences of owning our Series C Participating Preferred Shares, including the potential for constructive distributions.***

The principal United States federal income tax consequences of purchasing, owning and disposing our Series C Participating Preferred Shares are summarized under "Material U.S. Federal Income Tax Considerations." The Internal Revenue Service, or the IRS, may take the position that certain rights including our right to redeem the Series C Participating Preferred Shares for cash at a redemption price in excess of the issue price of the Series C Participating Preferred Shares and our right to convert the Series C Participating Preferred Shares to Class A common shares taking into account the HPA, causes you, during the period you hold your shares, to be deemed to receive taxable dividends subject to United States federal income tax without the receipt of any cash. If you are a non-U.S. shareholder, such deemed dividend may subject you to United States federal withholding tax. See "Material U.S. Federal Income Tax Considerations."

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**Risks Related to Qualification and Operation as a REIT**

***Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our shareholders.***

We believe that we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT and that our current organization and proposed method of operation will enable us to continue to qualify as a REIT. However, we have not requested and do not intend to request a ruling from the IRS, that we qualify as a REIT. As a result, we cannot assure you that we qualify or that we will remain qualified as a REIT.

If we fail to qualify as a REIT in any taxable year, and we do not qualify for certain statutory relief provisions, we will face serious tax consequences that will substantially reduce the funds available for distributions to our shareholders because:

we would not be allowed a deduction for dividends paid to shareholders in computing our taxable income and would be subject to federal income tax at regular corporate rates;

we could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and

unless we are entitled to relief under certain U.S. federal income tax laws, we could not re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT.

In addition, if we fail to qualify as a REIT, we will no longer be required to make distributions. As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and it would adversely affect the value of our Series C Participating Preferred Shares. See "Material U.S. Federal Income Tax Considerations" for a discussion of material U.S. federal income tax consequences relating to us and our Series C Participating Preferred Shares.

***Even if we qualify as a REIT, we may face other tax liabilities that reduce our cash flow.***

Even if we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes. In addition, we could, in certain circumstances, be required to pay an excise or penalty tax (which could be significant in amount) in order to utilize one or more relief provisions under the Code to maintain our qualification as a REIT. See "Material U.S. Federal Income Tax Considerations Taxation of the Company as a REIT." Any of these taxes would decrease cash available for distribution to our shareholders. In addition, in order to meet the REIT qualification requirements, or to avert the imposition of a 100% tax that applies to certain gains derived by a REIT from dealer property or inventory, we hold some of our assets through a taxable REIT subsidiary, or TRS, or other subsidiary corporations that are subject to corporate-level income tax at regular rates. Our TRS may have tax liability with respect to "phantom income" if it is treated as a "dealer" for U.S. federal income tax purposes which would require the TRS to mark to market its assets at the end of each taxable year. In addition, our TRS is subject to federal, state and local corporate taxes. Any of these taxes would decrease cash available for distribution to our shareholders. For more information on taxable REIT subsidiaries see "Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Effect of Subsidiary Entities Ownership of Interests in Taxable REIT Subsidiaries."

***Failure to make required distributions would subject us to U.S. federal corporate income tax.***

We believe that we have operated and we intend to continue to operate in a manner so as to qualify as a REIT for U.S. federal income tax purposes. In order to qualify as a REIT, we generally are required to distribute at least 90% of our "REIT taxable income," determined without regard to the



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dividends paid deduction and excluding any net capital gain, each year to our shareholders. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our shareholders in a calendar year is less than a minimum amount specified under the Code. We intend to make distributions to our shareholders to comply with the REIT requirements of the Code.

***Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends, which could adversely affect the value of our Series C Participating Preferred Shares if they are perceived as less attractive investments.***

The maximum rate applicable to "qualified dividend income" paid by regular "C" corporations to U.S. shareholders that are individuals, trusts and estates generally is 20%. Dividends payable by REITs, however, generally are not eligible for the current reduced rate, except to the extent that certain holding requirements have been met and a REIT's dividends are attributable to dividends received by a REIT from taxable corporations (such as a REIT's taxable REIT subsidiaries), to income that was subject to tax at the REIT/corporate level, or to dividends properly designated by the REIT as "capital gains dividends." Although the reduced rates applicable to dividend income from regular "C" corporations do not adversely affect the taxation of REITs or dividends payable by REITs, it could cause investors who are non-corporate taxpayers to perceive investments in REITs to be relatively less attractive than investments in the shares of regular "C" corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our Series C Participating Preferred Shares.

***The prohibited transactions tax may limit our ability to engage in transactions.***

A REIT's net income from "prohibited transactions" is subject to a 100% tax. In general, "prohibited transactions" are sales or other dispositions of property other than foreclosure property, held primarily for sale to customers in the ordinary course of business. We may be subject to the prohibited transactions tax equal to 100% of net gain upon a disposition of real property or debt instruments that we hold. Although a safe harbor to the characterization of the sale of property by a REIT as a prohibited transaction is available, we cannot assure you that we can comply with the safe harbor or that we will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of our properties or debt instruments or we may conduct such sales through our TRS, which would be subject to U.S. federal and state income taxation. In addition, we may have to sell numerous properties to a single or a few purchasers, which could cause us to be less profitable than would be the case if we sold properties on a property-by-property basis. For example, if we decide to acquire properties or debt instruments opportunistically to renovate in anticipation of immediate resale, we will need to conduct that activity through our TRS to avoid the 100% prohibited transactions tax.

The 100% tax described above may limit our ability to enter into transactions that would otherwise be beneficial to us. For example, if circumstances make it profitable or otherwise uneconomical for us to remain in certain states or geographical markets, the 100% tax could delay our ability to exit those states or markets by selling our assets in those states or markets other than through a TRS, which could harm our operating profits and the trading price of our Series C Participating Preferred Shares.

***If the operating partnership fails to qualify as a partnership for U.S. federal income tax purposes, we could fail to qualify as a REIT and suffer other adverse consequences.***

We believe that our operating partnership is organized and will be operated in a manner so as to be treated as a partnership and not an association or a publicly traded partnership taxable as a corporation, for U.S. federal income tax purposes. As a partnership, our operating partnership will not

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be subject to U.S. federal income tax on its income. Instead, each of the partners will be allocated its share of our operating partnership's income. No assurance can be provided, however, that the IRS will not challenge our operating partnership's status as a partnership for U.S. federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our operating partnership as an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, would cease to qualify as a REIT. Also, the failure of the operating partnership to qualify as a partnership would cause it to become subject to U.S. federal corporate income tax, which would reduce significantly the amount of its cash available for distribution to its partners, including us.

***The ability of our board of trustees to revoke our REIT qualification without shareholder approval may cause adverse consequences to our shareholders.***

Our declaration of trust provides that our board of trustees may revoke or otherwise terminate our REIT election, without shareholder approval, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal income tax on our net taxable income and would no longer be required to distribute most of our taxable income to our shareholders, which may have adverse consequences on our total return to our shareholders.

***Our ownership of our TRSs will be subject to limitations and our transactions with our TRSs will cause us to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on arm's-length terms.***

The Code provides that no more than 25% of the value of a REIT's assets may consist of shares or securities of one or more TRSs. This requirement limits the extent to which we can conduct activities through TRSs. In addition, the Code limits the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The Code also imposes a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. We monitor the value of our respective investments in our TRS for the purpose of ensuring compliance with TRS ownership limitations and we intend to structure our transactions with our TRS on terms that we believe are arm's-length to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to comply with the 25% taxable REIT subsidiaries limitation or to avoid application of the 100% excise tax. For more information on taxable REIT subsidiaries see "Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Effect of Subsidiary Entities Ownership of Interests in Taxable REIT Subsidiaries."

***You may be restricted from acquiring or transferring certain amounts of our common shares.***

The share ownership restrictions of the Code for REITs, the 8.0% common share ownership limit that applies to all shareholders, other than the Hughes family which is subject to the "excepted holder limit" (as defined in the declaration of trust) and "designated investment entities" (as defined in the declaration of trust) which are subject to a 9.9% common share ownership limit, and the 9.9% preferred share ownership limit all as provided in our declaration of trust may inhibit market activity in our equity shares and restrict our business combination opportunities. See "Description of Equity Shares Restrictions on Ownership and Transfer."

In order to qualify as a REIT for each taxable year beginning with our taxable year ending December 31, 2013, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50% in value of our issued and outstanding equity shares at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity

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beneficially or constructively owns our equity shares under this requirement. Additionally, at least 100 persons must beneficially own our equity shares during at least 335 days of a taxable year for each taxable year after 2012. To help insure that we meet these tests, our declaration of trust restricts the acquisition and ownership of our equity shares.

Our declaration of trust, with certain exceptions, authorizes our trustees to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our board of trustees, our declaration of trust prohibits any person, other than the Hughes family which is subject to the "excepted holder limit" (as defined in the declaration of trust) and "designated investment entities" (as defined in the declaration of trust), from beneficially or constructively owning more than 8.0% in value or number of shares, whichever is more restrictive, of our outstanding common shares and more than 9.9% in value or number of shares, whichever is more restrictive, of any class or series of our preferred shares. Our board of trustees may not grant an exemption from these restrictions to any proposed transferee whose ownership in excess of the applicable ownership limit would result in our failing to qualify as a REIT. These restrictions on ownership and transfer will not apply, however, if our board of trustees determines that it is no longer in our best interest to continue to qualify as a REIT.

***We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our Series C Participating Preferred Shares.***

At any time, the U.S. federal income tax laws governing REITs or the administrative interpretations of those laws may be amended, possibly with retroactive effect. We cannot predict when or if any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and whether any such law, regulation, or interpretation may take effect retroactively. We and our shareholders could be adversely affected by any such change in or any new U.S. federal income tax law, regulation or administrative interpretation.

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**FORWARD-LOOKING STATEMENTS**

Various statements contained in, or incorporated by reference into, this prospectus, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include projections and estimates concerning the timing and success of specific projects, revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "intend," "anticipate," "potential," "plan," "goal" or other words that convey the uncertainty of future events or outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies, trends and uncertainties, most of which are difficult to predict and many of which are beyond our control. These and other important factors, including those discussed under "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2013 and elsewhere in this prospectus may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, contingencies and uncertainties include, but are not limited to, the following:

We are employing a new and untested business model with no proven track record, which may make our business difficult to evaluate.

We are a recently organized REIT with a limited operating history, and we may not be able to successfully operate our business or generate sufficient cash flows to make or sustain distributions on our preferred and common shares.

We may not be able to effectively manage our growth, and any failure to do so may have an adverse effect on our business and operating results.

We intend to continue to expand our scale of operations and make acquisitions even if the rental and housing markets are not as favorable as they were when we commenced operations, which could adversely impact anticipated yields.

Our future growth depends, in part, on the availability of additional debt or equity financing. If we cannot obtain additional financing on terms favorable or acceptable to us, our growth may be limited.

Our investments are and will continue to be concentrated in our target markets and the single-family properties sector of the real estate industry, which exposes us to downturns in our target markets or in the single-family properties sector.

We face significant competition for acquisitions of our target properties, which may limit our strategic opportunities and increase the cost to acquire those properties.

We face significant competition in the leasing market for quality tenants, which may limit our ability to rent our single-family homes on favorable terms or at all.

The large supply of single-family homes becoming available for purchase as a result of the heavy volume of foreclosures, combined with historically low residential mortgage rates, may cause some potential renters to seek to purchase residences rather than lease them and, as a result, cause a decline in the number and quality of potential tenants.

Our evaluation of properties involves a number of assumptions that may prove inaccurate, which could result in us paying too much for properties we acquire or overvaluing our properties or our properties failing to perform as we expect.



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If occupancy levels and rental rates in our target markets do not increase sufficiently to keep pace with rising costs of operations, our income and distributable cash will decline.

We depend on our tenants and their willingness to renew their leases for substantially all of our revenues. Poor tenant selection and defaults and nonrenewals by our tenants may adversely affect our reputation, financial performance and ability to make distributions on our preferred and common shares.

Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distribution to our shareholders.

The Series C Participating Preferred Shares have not been rated.

The Series C Participating Preferred Shares are newly issued securities with no established trading market, which may negatively affect their market value and your ability to transfer or sell your shares. We intend to apply to list the Series C Participating Preferred Shares on the NYSE, but we cannot assure you that the listing will be approved or that a trading market will develop or be sustained.

The Series C Participating Preferred Shares are subordinate to our debt and other liabilities, and your interests could be diluted by the issuance of additional preferred shares and by other transactions.

There is no guarantee that any HPA Amount will accrue or be paid on the Series C Participating Preferred Shares.

The cumulative change in HPA that occurs during the period measured for purposes of calculating the HPA Amount may differ from the cumulative change in HPA that occurs during the period for which the Series C Participating Preferred Shares are actually outstanding.

If you own our Series C Participating Preferred Shares, you will not be entitled to any rights with respect to our common shares, but you will be subject to all changes made with respect to our common shares.

The market price of Class A common shares received in a conversion of our Series C Participating Preferred Shares may decrease between the date received and the date the Class A common shares are sold.

While forward-looking statements reflect our good faith beliefs, assumptions and expectations, they are not guarantees of future performance, and you should not unduly rely on them. The forward-looking statements in this prospectus speak only as of the date of this prospectus. We are not obligated to update or revise these statements as a result of new information, future events or otherwise, unless required by applicable law.

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**RATIO OF EARNINGS TO FIXED CHARGES**

The information provided in Exhibit 12.1 of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 26, 2014, is incorporated by reference herein.

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**USE OF PROCEEDS**

We estimate that the net proceeds to us from the sale of our Series C Participating Preferred Shares in this offering will be approximately \$ million (or approximately \$ million if the underwriters exercise their option to purchase up to 975,000 additional Series C Participating Preferred Shares in full), after deducting the underwriting discount and other estimated offering expenses.

We expect that the net proceeds to us from the sale of our Series C Participating Preferred Shares in the concurrent private placement will be approximately \$5 million.

We will contribute the net proceeds of this offering and the concurrent private placement to our operating partnership in exchange for Series C participating preferred operating partnership units. Our operating partnership intends to use the net proceeds received from our contribution (i) to repay the indebtedness we have incurred or expect to incur under our credit facility, and to the extent not used for that purpose, (ii) to acquire and renovate single-family properties, including the escrowed properties listed under "Summary Our Properties," in accordance with our business strategy described in this prospectus and (iii) for general business purposes. As of March 31, 2014, we had approximately 532 properties in escrow, with an estimated total investment of \$81.8 million. At April 25, 2014, we had \$716 million of borrowings outstanding under our credit facility. Our credit facility bears interest at 30-day LIBOR plus 2.75% until March 2017, and thereafter, at 30-day LIBOR plus 3.125%. Borrowings under the credit facility are available through March 7, 2015, which may be extended for an additional year, subject to the satisfaction of certain financial covenant tests.

Pending application of any portion of the net proceeds, we or our operating partnership will invest such funds in interest-bearing accounts and short-term interest-bearing securities consistent with our intention to qualify for taxation as a REIT. These investments are expected to provide lower net returns than we will seek to achieve with our target assets.



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**DISTRIBUTION POLICY**

To qualify as a REIT, we must distribute annually to our common and preferred shareholders an amount at least equal to 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. We will be subject to income tax on our taxable income that is not distributed and to an excise tax to the extent that certain percentages of our taxable income are not distributed by specified dates. See "Material U.S. Federal Income Tax Considerations." Income as computed for purposes of the foregoing tax rules will not necessarily correspond to our income as determined for financial reporting purposes.

The amount, timing and frequency of distributions authorized by our board of trustees will be based upon a variety of factors, including:

actual results of operations;

our level of retained cash flows;

the timing of the investment of the net proceeds of this offering;

restrictions under Maryland law;

any debt service requirements and compliance with covenants under our credit facility;

our taxable income;

the annual distribution requirements under the REIT provisions of the Code;

distributions to senior equity security holders; and

other factors that our board of trustees may deem relevant.

Our ability to make distributions to our common and preferred shareholders will depend upon the ability of our management team to invest in our target assets in accordance with our business strategy and the performance of our properties. Distributions will be made in cash to the extent that cash is available for distribution. We may not be able to generate sufficient net interest income to pay distributions to our shareholders. In addition, our board of trustees may change our distribution policy in the future. See "Risk Factors," including those incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2013.

Our declaration of trust allows us to issue preferred shares that could have a preference on distributions. The distribution preference of our Series A, Series B and Series C Participating Preferred Shares could limit our ability to make distributions to the holders of our common shares. Our board of trustees will set the level of distributions. We intend to distribute our taxable income to our shareholders and retain the balance of our cash available for distribution for reinvestment in properties. However, our cash available for distribution may be less than the amount required to meet the distribution requirements for REITs under the Code, and we may be required to borrow money, sell assets or make taxable distributions of our equity shares or debt securities to satisfy the distribution requirements. Additionally, we may pay future distributions from the proceeds from this offering or other securities offerings and thus all or a portion of such distributions may constitute a return of capital for federal income tax purposes. We also may elect to pay all or a portion of any distribution in the form of a taxable distribution of our shares or debt securities.

The timing and frequency of distributions authorized by our board of trustees in its sole discretion and declared by us will be based upon a variety of factors deemed relevant by our board of trustees, which may include among others: our actual and projected results of operations; our liquidity, cash flows and financial condition; revenue from our properties; our operating expenses; economic conditions; debt service

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requirements; limitations under our financing arrangements; applicable law; capital requirements and the REIT requirements of the Code. Our actual results of operations will be

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affected by a number of factors, including the revenue we receive from our assets, our operating expenses, interest expenses and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual results of operations, please see "Risk Factors," including those incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2013.

We cannot guarantee whether or when we will be able to make distributions or that any distributions will be sustained over time. Distributions to our shareholders generally will be taxable to our shareholders as ordinary income, although a portion of such distributions may be designated by us as capital gain dividends or qualified dividend income, or may constitute a return of capital. We will furnish annually to each of our shareholders a statement setting forth distributions paid during the preceding year and their U.S. federal income tax treatment. For a discussion of the federal income tax treatment of our distributions, see "Material U.S. Federal Income Tax Considerations."

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The following table sets forth our capitalization as of December 31, 2013 (1) on a historical basis, and (2) as adjusted to reflect (i) the sale of 6,500,000 Series C Participating Preferred Shares in this offering (assuming no exercise of the underwriters' option to purchase 975,000 additional shares), after deducting underwriting discounts and estimated offering expenses and (ii) the concurrent private placement with Tamara Hughes Gustavson of 200,000 Series C Participating Preferred Shares at an offering price of \$25.00 per share. No adjustments have been made to reflect normal course operations by us or other developments with our business after December 31, 2013. As a result, the as adjusted information provided below is not indicative of our actual consolidated capitalization as of any date. You should read this table together with "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in, and incorporated by reference into, this prospectus.

	As of December 31, 2013
	As Adjusted
	for this
	Offering(1)(2)
	Historical(1)
	(dollars in thousands)
Debt	\$ 375,000
Shareholders' equity:	
Preferred Shares \$0.01 par value per share, 100,000,000 shares authorized, 9,060,000 issued and outstanding at December 31, 2013 and 15,760,000 issued and outstanding as adjusted for this offering	91
Class A common shares \$0.01 par value per share, 450,000,000 shares authorized, 184,869,219 shares issued and outstanding at December 31, 2013 and as adjusted for this offering(3)	1,848
Class B common shares \$0.01 par value per share, 50,000,000 shares authorized, 635,075 shares issued and outstanding at December 31, 2013 and as adjusted for this offering	6
Additional paid-in capital	2,996,478
Shareholders' equity	2,998,423
Noncontrolling interest	715,715
Total capitalization	\$ 4,089,138

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- (1) Excludes the sale and issuance of 400,000 Series B Participating Preferred Shares on January 23, 2014, in connection with the exercise of the underwriters' option to purchase additional shares, less underwriting discounts and other offering costs.
- (2) As adjusted for this offering reflects the sale of Series C Participating Preferred Shares in connection with this offering, less underwriting discounts and estimated offering expenses, and the concurrent private placement with Tamara Hughes Gustavson of 200,000 Series C Participating Preferred Shares at an offering price of \$25.00 per share.
- (3) Excludes: (i) an aggregate of 2,130,000 of our Class A common shares issuable upon exercise of options previously granted to members of our board of trustees and our former manager's executive team, employees and other service providers under the 2012 Incentive Plan that vest ratably over a period of four years from the date of grant; (ii) 92,000 restricted stock units issued under the 2012 Incentive Plan that vest ratably over a period of four years from the date of grant; (iii) 3,765,000 of our Class A common shares available for issuance in the future under the 2012 Incentive Plan, subject to certain contingencies; (iv) 4,375,000 Series D units issued

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in June 2013 in connection with the Management Internalization, each of which are convertible into Class A units

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on a one-for-one basis only effective as of the later of (1) 30 months from the date of issuance and (2) upon achieving certain financial metrics or share appreciation targets; (v) 4,375,000 Series E units issued in June 2013 in connection with the Management Internalization, each of which are convertible into Series D units, or if the Series D units have previously converted into Class A units, into Class A units on February 29, 2016 if certain conditions are met; (vi) 12,395,965 Class A units issued to AH LLC in June 2013 in connection with the Alaska Joint Venture Acquisition; (vii) 705,167 Class A units issued in June 2013 in connection with AH LLC's contribution of its interests in RJ American Homes 4 Rent Two, LLC to our operating partnership; (viii) 653,492 Class A units issued in June 2013 upon conversion of 653,492 3.5% convertible perpetual preferred units in connection with AH LLC's transfer of the remaining 80% of the promoted interest in RJ American Homes 4 Rent One, LLC to our operating partnership; (ix) 31,085,974 Series C units issued in connection with our operating partnership's acquisition of the AH LLC Portfolio in February 2013, each of which are convertible into Class A units; and (x) 32,667 Class A units issued in connection with our operating partnership's acquisition of 367 single-family properties from AH LLC in December 2012. In general, beginning 12 months after the date of issuance, holders of our Class A units have the right to require our operating partnership to redeem part or all of their Class A units for cash or, at our election, our Class A common shares on a one-for-one basis.

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**SELECTED FINANCIAL DATA**

The information provided in Part II, Item 6 of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 26, 2014, is incorporated by reference herein.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The information provided in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 26, 2014, is incorporated by reference herein.

**OUR BUSINESS AND PROPERTIES**

The information provided in Part I, Item 1 and Part I, Item 2 of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 26, 2014, is incorporated by reference herein.

**MANAGEMENT**

The information provided under the caption "Executive Officers of The Registrant" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 26, 2014, is incorporated herein by reference.

The information provided in our Current Report on Form 8-K, filed with the SEC on April 29, 2014, is incorporated herein by reference.

The information provided under the caption titled "Election of Trustees" in our definitive proxy statement for the 2014 Annual Meeting filed with the SEC on March 26, 2014, or the 2014 Proxy Statement, is incorporated herein by reference.

The information provided under the caption "Executive Compensation" in the 2014 Proxy Statement is incorporated herein by reference.

The information provided under the caption "Corporate Governance and Board Matters" in the 2014 Proxy Statement is incorporated herein by reference.

**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

The information provided under the caption titled "Certain Relationships and Related Party Transactions" in the 2014 Proxy Statement is incorporated herein by reference.

**Concurrent Private Placement with Tamara Hughes Gustavson**

Concurrently with the completion of this offering, Tamara Hughes Gustavson, the daughter of our Chairman, B. Wayne Hughes, will purchase \$5 million of our Series C Participating Preferred Shares in a private placement at the public offering price set forth on the front cover of this prospectus. The concurrent private placement is expected to close on the same day as this offering and is contingent upon completion of this offering. This offering is not contingent upon the closing of the concurrent private placement.

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**INVESTMENT POLICIES AND POLICIES WITH RESPECT TO CERTAIN ACTIVITIES**

**Our Investment Policies**

The following is a discussion of our investment policies and our policies with respect to certain other activities, including financing matters and conflicts of interest. These policies may be amended or revised from time to time at the discretion of our board of trustees without shareholder approval. We cannot assure you that we will achieve our investment objectives.

***Investment in Real Estate and Interests in Real Estate***

We conduct substantially all of our investment activities through our operating partnership and its subsidiaries. Our investment objectives are to generate attractive, risk-adjusted returns for our shareholders through dividends and capital appreciation. We have not established a specific policy regarding the relative priority of these investment objectives. For a discussion of our business and growth strategies, see "Our Business and Properties," including the information incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2013.

We pursue our investment objectives primarily through the ownership by our operating partnership of single-family rental properties. Future investment activities will not be limited to any geographic area, property type or to a specified percentage of our assets. While we may diversify in terms of property locations, size and market, we do not have any limit on the amount or percentage of our assets that may be invested in any one property or any one geographic area. We intend to engage in such future investment activities in a manner that is consistent with the maintenance of our status as a REIT for U.S. federal income tax purposes. In addition, we may purchase or lease other income-producing properties for long-term investment or sell such properties, in whole or in part, when circumstances warrant.

We may also participate with third parties in property ownership through investment vehicles, including joint ventures, partnership arrangements or other types of co-ownership. These types of investments may permit us to own interests in larger portfolios of properties and, therefore, provide us with flexibility in structuring our portfolio. We may participate in these investment vehicles even if we have funds available for investment. We will not, however, enter into an investment vehicle that would not otherwise meet our investment policies, as established or modified by our board of trustees from time to time, including the following guidelines:

We intend to make an investment of at least 10% of the aggregate investment by all parties in such investment vehicle;

Our investment in such investment vehicles shall not be subject to any promoted interests;

None of our trustees, officers or employees may invest personally in such investment vehicles (other than indirectly through their respective ownership of our common shares or OP units in our operating partnership);

We may invest jointly in such investment vehicles with AH LLC or its affiliates if our board of trustees believes that such joint investment is the best alternative for acquiring properties at that time; and

Any of our investments in such investment vehicles must be approved by a majority of our independent trustees.

These guidelines do not apply to our former manager's existing investment vehicles. "Our former manager" refers to our former external manager and advisor, American Homes 4 Rent Advisor, LLC, a Delaware limited liability company previously wholly owned by AH LLC, that became wholly owned by us following the Management Internalization.



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The structure and terms of the investment vehicles may vary and will depend on market conditions. We will manage the residences owned by these investment vehicles. Any of these transactions would require approval by a majority of our independent trustees.

We do not have a specific policy to acquire assets primarily for capital gain or primarily for income.

***Investments in Real Estate Mortgages***

While our business and growth strategies emphasize equity investments in single-family rental properties, we may, at the discretion of our board of trustees, invest in mortgages, including non-performing loans, or NPLs, consistent with our qualification as a REIT. Investments in real estate mortgages run the risk that one or more borrowers may default under the mortgages and that the collateral securing those mortgages may not be sufficient to enable us to recoup our full investment.

***Investments in Securities of or Interests in Persons Primarily Engaged in Real Estate Activities and Other Issuers***

Subject to the percentage of ownership limits and gross income and asset tests necessary for REIT qualification, we may invest in securities of other REITs, other entities engaged in real estate activities or securities of other issuers, including for the purpose of exercising control over such entities. We do not intend to underwrite securities of other issuers.

***Purchase and Sale of Investments***

We expect to invest in our properties primarily for generation of current rental income and long-term capital appreciation. Although we do not currently intend to sell our properties, we may deliberately and strategically dispose of certain properties in the future and redeploy funds into new acquisitions that align with our strategic objectives.

***Lending Policies***

We do not expect to engage in any significant lending in the future. However, we do not have a policy limiting our ability to make loans to other persons, although our ability to do so may be limited by applicable law, such as the Sarbanes-Oxley Act of 2002. Subject to tax rules applicable to REITs, we may choose to guarantee debt of certain joint ventures with third parties. Our board of trustees may adopt a formal lending policy in the future without notice to or consent of our shareholders.

***Issuance of Additional Securities***

If our board of trustees determines that obtaining additional capital would be advantageous to us, we may, without shareholder approval, issue debt or equity securities, including causing our operating partnership to issue additional OP units, retain earnings (subject to the REIT distribution requirements for U.S. federal income tax purposes) or pursue a combination of these methods. As long as our operating partnership is in existence, the proceeds of all equity capital raised by us will be contributed to our operating partnership in exchange for additional OP units, which will dilute the ownership interests of any other limited partners.

We may offer our common shares, OP units, or other debt or equity securities in exchange for cash, real estate assets or other investment targets, and to repurchase or otherwise re-acquire our common shares, OP units or other debt or equity securities. We may issue preferred shares from time to time, in one or more classes or series, as authorized by our board of trustees without the need for shareholder approval. We have not adopted a specific policy governing the issuance of senior securities at this time.

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***Reporting Policies***

We are subject to the information reporting requirements of the Exchange Act, pursuant to which we file periodic reports, proxy statements and other information, including audited financial statements, with the SEC.

***Investment Company Act of 1940***

We intend to conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the 1940 Act. Investments are also subject to our policy not to be treated as an investment company under the 1940 Act.

**Our Financing Strategy**

Although we do not believe we need to use leverage to execute our business strategy, we may use leverage to increase potential returns to our shareholders in the future. Our decision to use leverage will be based on our assessment of a variety of factors, including the terms of available credit and our outlook for borrowing costs relative to the unleveraged yield on our assets. Any decision as to the use of leverage and the terms of any financings will be made by our board of trustees and will not be subject to shareholder approval. While we are not restricted by our governing documents in the amount of leverage that we may use, we do not anticipate that the ratio of loan-to-value (based on the estimated value of our assets at the time of incurrence) will exceed 50% at the time of any incurrence.

As our company grows, we may seek to access financing sources other than indebtedness. These sources may include securitizations, issuances of common or preferred shares by us and issuances of OP units, including classes or series of common or preferred OP units. Based in part on the experience of our executive team at Public Storage, we believe that preferred shares provide an attractive source of permanent capital. In addition, we will seek to participate in investment vehicles with third-party investors as an alternative source of equity to grow our business. Our executive officers have substantial experience organizing and managing investment vehicles with third-party investors, including during their time at Public Storage. There can be no assurance that we will be able to access these financing sources on favorable terms or at all.

On March 7, 2013, we entered into a \$500 million credit facility with Wells Fargo. On September 30, 2013, we amended our credit facility to add J.P. Morgan Chase Bank as a lender, expand our borrowing capacity under the credit facility to \$800 million and extend the repayment period to September 30, 2018. The amount that we may borrow under our credit facility is generally based on the borrowing base. Our credit facility bears interest at 30-day LIBOR plus 2.75% until March 2017, and thereafter, at 30-day LIBOR plus 3.125%. At April 25, 2014, we had approximately \$716 million of borrowings outstanding under our credit facility. At March 14, 2014 (the most recent practicable date prior to the date of this prospectus), we had cash and cash equivalents on hand of approximately \$57 million.

As previously announced, we have engaged advisors to assist in structuring and negotiating a securitization transaction secured by a portion of our portfolio of single-family properties. We expect to complete the transaction in the second quarter of 2014, subject to, among other matters, conditions in the capital markets, rating agency review and customary closing conditions, and expect that the transaction will be exempt from registration under the Securities Act. We also continue to explore other financing sources and capital raising alternatives with various financial institutions from time to time. There can be no assurance that we will complete these potential transactions.

**Policies with Respect to Certain Transactions**

We have adopted a written policy for the review and approval of related party transactions requiring disclosure under Item 404(a) of Regulation S-K. See "Certain Relationships and Related Party Transactions," and the information incorporated by reference therein from our 2014 Proxy Statement.

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**PRINCIPAL SHAREHOLDERS**

The information provided in Part III, Item 12 of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 26, 2014, is incorporated by reference herein.

The information provided under the caption "Principal Shareholders" in the 2014 Proxy Statement is incorporated herein by reference.

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**DESCRIPTION OF SERIES C PARTICIPATING PREFERRED SHARES**

The description of certain terms and provisions of our Series C Participating Preferred Shares contained in this prospectus does not purport to be complete and is in all respects subject to, and qualified in its entirety by reference to our declaration of trust, including the Articles Supplementary setting forth the terms of our Series C Participating Preferred Shares, our bylaws and Maryland law.

For purposes of this section, references to "we," "our" and "our company" refer only to American Homes 4 Rent and not to any of its subsidiaries.

**General**

Under our declaration of trust, we currently are authorized to issue up to 100,000,000 preferred shares of beneficial interest, \$0.01 par value per share. Our declaration of trust further provides that our board of trustees may classify any unissued preferred shares into one or more classes or series of shares by setting or changing in any one or more respects the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or terms or conditions of redemption of such preferred shares. Prior to the completion of this offering and the concurrent private placement, there will be no preferred shares outstanding, other than 5,060,000 Series A Participating Preferred Shares and 4,400,000 Series B Participating Preferred Shares. There are generally no preemptive rights with respect to our Series C Participating Preferred Shares.

**Maturity**

The Series C Participating Preferred Shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption (except as described below under "Redemption Redemption upon an Absence of Suitable Indices Event" and "Conversion Rights Conversion upon an Absence of Suitable Indices Event"), and will remain outstanding indefinitely unless (i) we redeem such Series C Participating Preferred Shares at our option as described below in "Redemption Redemption at Our Option," (ii) we convert such Series C Participating Preferred Shares at our option as described below in "Conversion Rights Conversion at Our Option" or (iii) subject to our special right of redemption in the event of a Change of Control (as defined below), they are converted by the holder of such Series C Participating Preferred Shares in the event of a Change of Control as described below in "Conversion Rights Conversion upon a Change of Control."

**Reopening**

The Articles Supplementary establishing our Series C Participating Preferred Shares permit us to "reopen" this series, without the consent of the holders of our Series C Participating Preferred Shares, in order to issue additional shares of Series C Participating Preferred Shares from time to time. We may in the future issue additional shares of Series C Participating Preferred Shares without your consent. Any additional shares of Series C Participating Preferred Shares will have the same terms as the shares of Series C Participating Preferred Shares that we are issuing in this offering. These additional shares of Series C Participating Preferred Shares will, together with the shares of Series C Participating Preferred Shares being issued in this offering, constitute a single series of securities.

**Ranking**

The Series C Participating Preferred Shares will rank, with respect to dividend rights and rights upon our liquidation, dissolution or winding up:

- (1) senior to our common shares and to any other class or series of our equity shares expressly designated as ranking junior to the Series C Participating Preferred Shares;

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- (2) on parity with any existing or other preferred or convertible preferred securities, including our Series A Participating Preferred Shares and Series B Participating Preferred Shares; and
- (3) junior to all equity shares issued by us with terms specifically providing that those equity shares rank senior to the Series C Participating Preferred Shares with respect to rights of dividend payments and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of our company, or Liquidation Event, which issuance is subject to the approval of the holders of two-thirds of the outstanding Series C Participating Preferred Shares and any parity preference shares.

The term "equity shares" does not include convertible debt securities, which debt securities would rank senior to the Series C Participating Preferred Shares.

**Dividends**

When, as and if authorized by our board of trustees, holders of the Series C Participating Preferred Shares will be entitled to receive cumulative cash dividends from and including the issue date, payable quarterly in arrears on the last day of March, June, September and December of each year, beginning on \_\_\_\_\_, 2014, at the rate of \_\_\_\_\_ % per annum on the initial liquidation preference per share (equivalent to the fixed annual rate of \$ \_\_\_\_\_ per share). The first dividend is scheduled to be paid on \_\_\_\_\_, 2014 to holders of record as of \_\_\_\_\_, 2014 and will be a pro rata dividend from and including the original issue date to but excluding \_\_\_\_\_, 2014. If any dividend payment date falls on any day other than a business day as defined in the Articles Supplementary for our Series C Participating Preferred Shares, the dividend due on such dividend payment date shall be paid on the first business day immediately following such dividend payment date, and no dividends will accrue as a result of such delay. Dividends will accrue and be cumulative from, and including, the prior dividend payment date (or, if no prior dividend payment date, the original issue date of the Series C Participating Preferred Shares) to, but excluding, the next dividend payment date, to holders of record as of 5:00 p.m., New York time, on the related record date. The record dates for the Series C Participating Preferred Shares are the March 15, June 15, September 15 or December 15 immediately preceding the relevant dividend payment date. If any record date falls on any day other than a business day as defined in the Articles Supplementary for our Series C Participating Preferred Shares, the record date shall be the immediately preceding business day. Prior to March 31, 2021, no dividends will accrue or be paid on any HPA Amount (as defined below).

On and after March 31, 2021, in lieu of the dividend rate detailed in the preceding paragraph, a dividend rate of 10.000% per annum will accrue and be paid on the initial liquidation preference per Series C Participating Preferred Share plus the HPA Amount, if any.

Our board of trustees will not authorize and we will not pay or set apart for payment dividends on our Series C Participating Preferred Shares at any time when the terms and provisions of any agreement of ours, including any agreement relating to our indebtedness, prohibits the authorization, payment or setting apart for payment or provides that the authorization, payment or setting apart for payment would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment shall be restricted or prohibited by law. We also have the right to withhold, from any amounts otherwise payable to you, with respect to all distributions (deemed or actual) to the extent that withholding is or was required for such distributions under applicable tax withholding rules. See "Material U.S. Federal Income Tax Considerations." You should review the information appearing in the last paragraph under this caption " Dividends" for information regarding the circumstances under which the terms of our credit facility with Wells Fargo may limit or prohibit the payment of dividends on the Series C Participating Preferred Shares.

Notwithstanding the foregoing, dividends on the Series C Participating Preferred Shares will accrue whether or not there are funds legally available for the payment of those dividends, whether or not we

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have earnings and whether or not those dividends are authorized. No interest, or sum in lieu of interest, will be payable in respect of any dividend payment or payments on the Series C Participating Preferred Shares that may be in arrears, and holders of the Series C Participating Preferred Shares will not be entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series C Participating Preferred Shares, including any Capital Gains Amounts, as described in the paragraph below, shall first be credited against the earliest accrued but unpaid dividend due with respect to those shares.

If, for any taxable year, we designate as a "capital gain dividend," as defined in Section 857 of the Code, any portion of the dividends, or the Capital Gains Amount, as determined for federal income tax purposes, paid or made available for that year to holders of all classes of our shares of beneficial interest, then, except as otherwise required by applicable law, the portion of the Capital Gains Amount that shall be allocable to the holders of the Series C Participating Preferred Shares will be in proportion to the amount that the total dividends, as determined for federal income tax purposes, paid or made available to holders of Series C Participating Preferred Shares for the year bears to the total dividends paid or made available for that year to holders of all classes of our shares of beneficial interest. In addition, except as otherwise required by applicable law, we will make a similar allocation with respect to any undistributed long-term capital gains that are to be included in our shareholders' long-term capital gains, based on the allocation of the Capital Gains Amount that would have resulted if those undistributed long-term capital gains had been distributed as "capital gain dividends" by us to our shareholders. See "Material U.S. Federal Income Tax Considerations."

Future distributions on our common shares and preferred shares, including the Series C Participating Preferred Shares offered hereby, will be at the discretion of our board of trustees and will depend on, among other things, our results of operations, funds from operations, cash flow from operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Code, our debt service requirements and any other factors our board of trustees deems relevant. In addition, our credit facility with Wells Fargo contains provisions that could limit or, in certain cases, prohibit the payment of distributions on our common shares and preferred shares, including the Series C Participating Preferred Shares offered hereby. Accordingly, although we expect to pay quarterly cash distributions on our common shares and scheduled cash dividends on our Series C Participating Preferred Shares being offered hereby, we cannot guarantee that we will maintain these distributions or what the actual distributions will be for any future period.

**Voting Rights**

Holders of the Series C Participating Preferred Shares generally will have no voting rights. However, if we are in arrears on dividends, whether or not authorized or declared, on the Series C Participating Preferred Shares for six or more quarterly periods, whether or not consecutive, holders of Series C Participating Preferred Shares (voting separately as a class together with the holders of all other classes or series of parity preferred shares and upon which like voting rights have been conferred and are exercisable) will be entitled to elect two additional trustees at a special meeting called upon the request of at least 10% of such holders or at our next annual meeting and each subsequent annual meeting of shareholders, each additional trustee being referred to as a Preferred Share Trustee, until all unpaid dividends with respect to the Series C Participating Preferred Shares and such other classes or series of preferred shares with like voting rights have been paid or declared and set aside for payment. Preferred Share Trustees will be elected by a vote of holders of record of a majority of the outstanding Series C Participating Preferred Shares and any other series of parity equity shares with like voting rights, voting together as a class. Special meetings called in accordance with the provisions described in this paragraph shall be subject to the procedures in our bylaws, except that we, rather than the holders of Series C Participating Preferred Shares or any other class or series of parity preferred shares entitled to vote thereon when they have the voting rights described above (voting together as a single class),

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including the Series A and Series B Participating Preferred Shares, will pay all costs and expenses of calling and holding the meeting.

Any Preferred Share Trustee may be removed at any time with or without cause by the vote of, and may not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding Series C Participating Preferred Shares and all other classes or series of parity preferred shares entitled to vote thereon when they have the voting rights described above (voting together as a single class). So long as a dividend arrearage continues, any vacancy in the office of a Preferred Share Trustee may be filled by written consent of the Preferred Share Trustee remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding Series C Participating Preferred Shares when they have the voting rights described above (voting as a single class with all other classes or series of parity preferred shares upon which like voting rights have been conferred and are exercisable).

So long as any Series C Participating Preferred Shares remain outstanding, we will not, without the affirmative vote or written consent of the holders of at least two-thirds of the then outstanding Series C Participating Preferred Shares and each other class or series of parity preferred shares with like voting rights (voting together as a single class), authorize, create, or increase the number of authorized or issued shares of, any class or series of equity shares ranking senior to the Series C Participating Preferred Shares with respect to rights of dividend payments and the distribution of assets upon a Liquidation Event, or reclassify any of our authorized equity shares into such equity shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase such equity shares. However, we may create additional classes of parity equity securities and junior equity securities, amend our declaration of trust and the Articles Supplementary for the Series C Participating Preferred Shares to increase the authorized number of shares of parity equity securities (including the Series C Participating Preferred Shares) and junior equity securities and issue additional series of parity equity securities and junior equity securities without the consent of any holder of Series C Participating Preferred Shares.

In addition, the affirmative vote or written consent of the holders of at least two-thirds of the outstanding Series C Participating Preferred Shares and each other class or series of parity preferred shares with like voting rights (voting together as a single class) is required for us to amend, alter or repeal any provision of our declaration of trust so as to materially and adversely affect the terms of the Series C Participating Preferred Shares. If such amendment to our declaration of trust does not equally affect the terms of the Series C Participating Preferred Shares and the terms of one or more other classes or series of parity preferred shares, the affirmative vote or written consent of the holders of at least two-thirds of the shares outstanding at the time of Series C Participating Preferred Shares, voting separately as a class, is required. Holders of the Series C Participating Preferred Shares also will have the exclusive right to vote on any amendment to our declaration of trust on which holders of the Series C Participating Preferred Shares are otherwise entitled to vote and that would alter only the rights, as expressly set forth in our declaration of trust, of the Series C Participating Preferred Shares.

In any matter in which holders of Series C Participating Preferred Shares may vote (as expressly provided in the articles supplementary setting forth the terms of the Series C Participating Preferred Shares), each Series C Participating Preferred Share shall be entitled to one vote per share.

**Liquidation Preference**

If we experience a Liquidation Event, holders of our Series C Participating Preferred Shares will have the right to receive the sum of (i) the initial liquidation preference, (ii) the HPA Amount (if the HPA Amount for the relevant period is a positive number) and (iii) an amount per Series C Participating Preferred Share equal to all dividends (whether or not authorized or declared) accrued and unpaid thereon to, but excluding, the date of final distribution to such holders, or the Final

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Liquidation Preference, before any distribution or payment is made to holders of our securities and any other class or series of our equity shares ranking junior to the Series C Participating Preferred Shares as to liquidation, dissolution or winding up. The rights of holders of Series C Participating Preferred Shares to receive this amount will be subject to the proportionate rights of any other class or series of our equity shares ranking on parity with the Series C Participating Preferred Shares as to rights upon liquidation, dissolution or winding up, and junior to the rights of any class or series of our equity shares expressly designated as ranking senior to the Series C Participating Preferred Shares.

Holders of Series C Participating Preferred Shares will be entitled to written notice of any distribution in connection with any Liquidation Event not less than 30 days and not more than 60 days prior to the distribution payment date. After payment of the full amount of the liquidating distributions to which they are entitled, holders of Series C Participating Preferred Shares will have no right or claim to any of our remaining assets. Our consolidation or merger with or into any other corporation, trust or other entity, or the voluntary sale, transfer or conveyance of all or substantially all of our property or business, will not be deemed to constitute a Liquidation Event.

In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of any of our shares of beneficial interest or otherwise, is permitted under Maryland law, amounts that would be needed, if we were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of Series C Participating Preferred Shares will not be added to our total liabilities.

**Home Price Appreciation Amount**

The initial liquidation preference for the Series C Participating Preferred Shares may be increased by the HPA Amount. The HPA Amount for any period will equal the product of the initial liquidation preference and the HPA Factor for such period. However, the HPA Amount for all periods after March 31, 2021 will be equal to the HPA Amount calculated with respect to the period ended December 31, 2020, and the HPA Amount will be subject to a cap as described below under the caption " HPA Amount Cap."

The HPA Amount for the Series C Participating Preferred Shares may be realized upon (i) exercise by us of our optional redemption right or conversion right after March 31, 2018, (ii) any conversion or redemption in connection with a Change of Control (as defined below) or (iii) liquidation, dissolution or winding up of the Company. In addition, on and after March 31, 2021, dividends will accrue on the HPA Amount, if any, added to the initial liquidation preference per Series C Participating Preferred Share.

**Home Price Appreciation Factor**

HPA for the Series C Participating Preferred Shares represents the cumulative change in value from December 31, 2013 of an index based on the purchase prices of single-family homes located in our top 20 markets, by estimated total investment, as of July 31, 2013. HPA is determined using the Quarterly Purchase-Only Index, or POI, specifically the non-seasonally adjusted "Purchase-Only Index" for the "100 Largest Metropolitan Statistical Areas," currently disclosed at the following URL: [http://www.fhfa.gov/DataTools/Downloads/Documents/HPI/HPI\\_PO\\_metro.txt](http://www.fhfa.gov/DataTools/Downloads/Documents/HPI/HPI_PO_metro.txt). The contents of the FHFA website are not incorporated by reference in or otherwise part of this prospectus. Other indices referenced in this prospectus will not be used in calculating the HPA Amount.

The POI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales of the same single-family properties. This information is obtained by reviewing repeat transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac since January 1975. Only mortgage transactions involving single-family homes are included. Conforming refers to a mortgage that both meets the underwriting guidelines of Fannie Mae



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or Freddie Mac and that does not exceed the conforming loan limit that is currently \$625,000 for mortgages in the contiguous United States originated after September 30, 2011. Conventional mortgages are those that are neither insured nor guaranteed by the FHA, VA or other federal government entities. Mortgages on properties financed by government-insured loans, such as FHA or VA mortgages, are excluded from the POI, as are properties with mortgages that have a principal amount exceeding the conforming loan limit.

Subject to the calculation of the HPA as described below, the value set forth in the POI, or the POI Value, with respect to each of the 21 metropolitan statistical areas (each, an "MSA") listed below, will be used for the purpose of calculating HPA.

HPA for the Series C Participating Preferred Shares will be calculated as follows:

- (i) The change in HPA for each MSA since December 31, 2013 will be calculated promptly following each date of FHFA's release of the POI for each quarter, or Index Release Date, in accordance with the following equation, where "MSA<sub>x</sub>" represents any given MSA and "HPA<sub>x</sub>" represents the change in HPA for such MSA:

$$\text{HPA}_x = ((\text{POI Value for MSA}_x \text{ as of the most recent Index Release Date} \div \text{POI Value for MSA}_x \text{ as of December 31, 2013}) \times 100) - 100$$

For the avoidance of doubt, for the purposes of calculating HPA<sub>x</sub>, (i) the POI Value for MSA<sub>x</sub> as of December 31, 2013 shall be as reported in the POI as of April 1, 2014, and (ii) the POI Value for MSA<sub>x</sub> as of December 31, 2020 shall be as reported in the POI on the first Index Release Date following December 31, 2020, in each case, notwithstanding any future revisions to such value that may be included in the POI on subsequent Index Release Dates.

- (ii) The "Cumulative HPA" is the sum of the twenty-one (21) products of (A) the change in HPA for a given MSA since December 31, 2013 (expressed below as "HPA<sub>x</sub>" and, for any given MSA, as calculated as described in paragraph (i) above) and (B) the relative weighting for a given MSA (expressed below as "W<sub>x</sub>" and, for any given MSA, as set forth in the table in paragraph (iii) below, divided by 100 in order to be expressed as a percentage, which will be calculated promptly following each Index Release Date in accordance with the following equation:

$$\text{Cumulative HPA} = ((\text{HPA}_1 \times \text{W}_1) + (\text{HPA}_2 \times \text{W}_2) + (\text{HPA}_3 \times \text{W}_3) + \dots (\text{HPA}_{21} \times \text{W}_{21})) \div 100$$

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(iii)

The following relative weightings for each MSA will be used in determining Cumulative HPA in accordance with paragraph (ii) above:

MSA	Relative Weighting Applied in Determining Cumulative HPA
Dallas Plano Irving, TX(1)	4.754%
Fort Worth Arlington, TX(1)	4.753%
Indianapolis Carmel Anderson, IN	8.880%
Chicago Naperville Arlington Heights, IL	7.679%
Atlanta Sandy Springs Roswell, GA	7.545%
Nashville Davidson Murfreesboro Franklin, TN	6.390%
Houston The Woodlands Sugar Land, TX	6.312%
Cincinnati, OH KY IN	6.119%
Salt Lake City, UT	5.495%
Tampa St. Petersburg Clearwater, FL	5.361%
Charlotte Concord Gastonia, NC	5.354%
Phoenix Mesa Scottsdale, AZ	5.270%
Jacksonville, FL	4.776%
Las Vegas Henderson Paradise, NV	4.371%
Raleigh, NC	4.040%
Columbus, OH	3.167%
Orlando Kissimmee Sanford, FL	3.036%
Tucson, AZ	1.867%
Greensboro High Point, NC	1.789%
Austin Round Rock, TX	1.550%
San Antonio New Braunfels, TX	1.490%
<b>TOTAL (21 MSAs)</b>	<b>100%</b>

(1)

Our Dallas-Fort Worth, TX market is comprised of the Dallas-Plano-Irving and Fort Worth-Arlington Metropolitan Divisions.

The change in HPA for each MSA since December 31, 2013 will be included in the calculation of "Cumulative HPA" regardless of whether it is positive, negative or zero. The home price appreciation factor, or HPA Factor, for any period will equal the product of Cumulative HPA (calculated as described above) for such period (expressed as a percentage) multiplied by a constant investor participation percentage of 50%. The HPA Amount, at any time it is measured, cannot be negative, so the liquidation preference per Series C Participating Preferred Share will always be at least \$25.00.

The FHFA has historically released the POI for a given quarter near the end of the second month after the end of that quarter. We will make available each quarter the quarterly measurement showing the aggregate HPA Amount per Series C Participating Preferred Share for the most recently completed quarter and weighted by markets based on the POI provided by the FHFA. We will also provide updates and maintain such information on the "For Investors" page of our corporate website.

If at any time prior to March 31, 2021, the FHFA no longer publishes the POI, or if the POI no longer covers one or more of our top 20 markets as of July 31, 2013, we will promptly make a good faith selection of a publicly available alternative index or indices after examining publicly available indices that are reasonably comparable to the POI to cover the market or markets no longer covered by the POI. If we select an alternative source or sources, we will disclose the new source for calculating the HPA Amount on the "For Investors" page of our corporate website and in a Current Report on Form 8-K filed with the SEC. If a suitable public alternative source or sources is not available, we will,

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at our option, either redeem or convert the Series C Participating Preferred Shares within 135 days after the date that the POI was last published, as described in "Redemption Redemption upon Absence of Suitable Indices Event" (in the case of a redemption) or as described in "Conversion Rights Conversion upon an Absence of Suitable Indices Event" (in the case of a conversion). We refer to the absence of a suitable alternative source or sources herein as an Absence of Suitable Indices Event.

The following table summarizes our top 20 markets at July 31, 2013 by estimated total investment and assigns market weightings, which shall remain fixed while the Series C Participating Preferred Shares remain outstanding.

The following table also sets forth the historical percentage change in the HPA with respect to each of these markets for the period from December 31, 2011 to December 31, 2013 and the total weighted average percentage change in the HPA during that period. The table sets forth the methodology used to calculate the percentage change for each market and the total weighted average percentage change for all markets using the POI Values for each market. In order to measure the percent change from December 31, 2011, the actual POI Value for each market as of December 31, 2011 has been set at a baseline value of 100.0. For the subsequent periods, the table sets forth the change in the POI Value relative to the baseline value of 100.0. The information in this table is for illustrative purposes only, is historical and is not intended to predict of future home price appreciation. See "Risk Factors The various hypothetical figures and illustrations contained in this prospectus should not be taken as an indication or prediction of future investment results" and "Risk Factors There is no guarantee that any HPA Amount will accrue or be paid on the Series C Participating Preferred Shares."

Market	Relative Weighting Applied in Determining HPA(1)	FHFA POI Value										Percentage Change in HPA from Dec 31, 2012 to Dec 31, 2013
		Dec 31, 2011(2)	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Percentage Change in HPA from Dec 31, 2011 to Dec 31, 2012	Mar 31, 2013	Jun 30, 2013	Sep 30, 2013	Dec 31, 2013	
Dallas-Fort Worth, TX(3)	9.507%	100.00	101.51	104.82	106.24	106.96	7.0%	107.76	113.10	114.74	116.08	8.5%
Indianapolis, IN	8.880%	100.00	96.12	102.69	100.37	98.88	-1.1%	102.78	106.75	109.21	106.85	8.1%
Greater Chicago Area, IL and IN(4)	7.679%	100.00	98.14	104.13	105.38	101.90	1.9%	103.00	112.11	112.93	113.87	11.7%
Atlanta, GA	7.545%	100.00	97.58	107.87	110.58	110.79	10.8%	115.22	123.41	126.60	126.99	14.6%
Nashville, TN	6.390%	100.00	96.49	104.34	105.49	105.67	5.7%	107.78	113.42	114.11	116.30	10.1%
Houston, TX	6.312%	100.00	102.63	107.71	110.01	111.65	11.7%	114.14	119.28	121.22	124.36	11.4%
Cincinnati, OH	6.119%	100.00	101.59	104.47	105.25	101.86	1.9%	102.00	107.80	110.28	107.58	5.6%
Salt Lake City, UT	5.495%	100.00	103.73	109.77	111.54	113.49	13.5%	118.04	123.77	124.66	123.81	9.1%
Tampa, FL	5.361%	100.00	101.60	108.50	109.59	109.87	9.9%	110.31	119.55	122.34	123.66	12.5%
Charlotte, NC	5.354%	100.00	97.24	104.42	104.70	101.19	1.2%	106.30	111.91	114.68	115.22	13.9%
Phoenix, AZ	5.270%	100.00	104.96	113.16	121.98	126.74	26.7%	130.25	140.64	146.06	148.67	17.3%
Jacksonville, FL	4.776%	100.00	96.27	98.46	102.59	99.21	-0.8%	107.19	108.83	111.06	112.19	13.1%
Las Vegas, NV	4.371%	100.00	99.60	105.21	111.03	119.32	19.3%	121.83	133.63	144.92	148.83	24.7%
Raleigh, NC	4.040%	100.00	100.27	101.78	102.84	100.35	0.4%	103.62	106.78	107.83	106.99	6.6%
Columbus, OH	3.167%	100.00	99.07	104.51	106.54	100.47	0.5%	102.92	108.58	112.35	109.13	8.6%
Orlando, FL	3.036%	100.00	105.94	107.12	113.24	116.86	16.9%	116.67	126.94	129.03	126.20	8.0%
Tucson, AZ	1.867%	100.00	103.10	112.70	118.10	117.92	17.9%	115.88	120.94	125.12	126.60	7.4%
Greensboro, NC	1.789%	100.00	96.93	99.47	103.76	101.48	1.5%	104.13	106.07	106.79	103.68	2.2%
Austin, TX	1.550%	100.00	101.73	106.40	108.47	108.05	8.1%	109.32	117.38	119.64	118.05	9.3%
San Antonio, TX	1.490%	100.00	96.29	104.18	100.58	106.70	6.7%	105.58	106.91	107.73	107.46	0.7%
<b>Total Weighted Average</b>	<b>100.0%</b>						<b>7.41%</b>					<b>10.88%</b>

(1) Based on estimated total investment in each market as of July 31, 2013. These will be the weighting factors for measurement of HPA and will at no time change as it relates to the Series C Participating Preferred Shares.

(2)

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For the illustrative purposes of this table, the HPA has been indexed as of December 31, 2011 and, as such, a baseline index value of 100.0 has been assigned to each market as of such date. The FHFA POI Values with respect to the other periods presented are relative measures calculated in relation to the baseline index value. The actual HPA will be indexed as of December 31, 2013. See the table on the following page for an illustration of how the HPA will be indexed as of December 31, 2013.

- (3) Our Dallas-Fort Worth, TX market is comprised of the Dallas-Plano-Irving and Fort Worth-Arlington Metropolitan Divisions, with each division being given equal weighting for purposes of determining HPA.
- (4) The home price index for the Greater Chicago Area, IL and IN market is Chicago-Naperville-Arlington Heights, IL.

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The following table sets forth, for each of our top 20 markets (based on estimated total investment as of July 31, 2013), the actual POI Value as of December 31, 2013, which is the date from which HPA will be measured for purposes of calculating the HPA Amount. The December 31, 2013 POI Values are those that were available as of April 1, 2014, notwithstanding any revisions by the FHFA in subsequent POI releases. The table also sets forth the calculations performed in order to assign a baseline value of 100.0 for all markets as of December 31, 2013 for purposes of calculating the change in HPA for such markets relative to such date.

Market	Relative Weighting Applied in Determining HPA(1)	Actual POI Value as of Dec 31, 2013(2)	Multiplier Applied to Establish Baseline Value(3)	Assigned Baseline Value(4)
Dallas-Fort Worth, TX(5)	9.507%	192.60	0.519	100
Indianapolis, IN	8.880%	165.40	0.605	100
Greater Chicago, IL and IN(6)	7.679%	185.58	0.539	100
Atlanta, GA	7.545%	179.66	0.557	100
Nashville, TN	6.390%	237.75	0.421	100
Houston, TX	6.312%	251.00	0.398	100
Cincinnati, OH	6.119%	166.16	0.602	100
Salt Lake City, UT	5.495%	323.59	0.309	100
Tampa, FL	5.361%	218.28	0.458	100
Charlotte, NC	5.354%	193.47	0.517	100
Phoenix, AZ	5.270%	247.72	0.404	100
Jacksonville, FL	4.776%	216.03	0.463	100
Las Vegas, NV	4.371%	149.08	0.671	100
Raleigh, NC	4.040%	198.65	0.503	100
Columbus, OH	3.167%	180.44	0.554	100
Orlando, FL	3.036%	181.11	0.552	100
Tucson, AZ	1.867%	216.99	0.461	100
Greensboro, NC	1.789%	157.21	0.636	100
Austin, TX	1.550%	317.68	0.315	100
San Antonio, TX	1.490%	227.56	0.439	100

- (1) Based on estimated total investment in each market as of July 31, 2013. These will be the weighting factors for measurement of HPA and will at no time change as it relates to the Series C Participating Preferred Shares.
- (2) Represents the values as published in the POI for each market as of April 1, 2014. Such values will remain constant for purposes of calculating the HPA Amount, notwithstanding any revisions by the FHFA in subsequent POI releases.
- (3) In order to index the POI Value for each market as of December 31, 2013, which is the date from which the cumulative change in HPA will be measured for purposes of calculating the HPA Amount, the POI Value for each market as of such date is being assigned a baseline index value of 100.0 by multiplying each by the multiplier indicated in the table above. The multipliers set forth above are presented solely for the purpose of indicating the numerical relationship between the actual POI Value for each of the markets and the indexed baseline value of 100.0 for such markets. The multipliers will remain constant throughout the term of the Series C Participating Preferred Shares and have not and will not be adjusted to reflect any revisions by the FHFA of the POI Values for each market as of December 31, 2013 subsequent to April 1, 2014.
- (4) Equals the product of the actual POI Value for each market as of December 31, 2013, multiplied by the baseline multiplier for each market.

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(5) Our Dallas-Fort Worth, TX market is comprised of the Dallas-Plano-Irving and Fort Worth-Arlington Metropolitan Divisions, with each division being given equal weighting for purposes determining HPA.

(6) The home price index for the Greater Chicago Area, IL and IN market is Chicago-Naperville-Arlington Heights, IL.

The following table illustrates how home price appreciation, as measured by the FHFA Index Value, would be applied for purposes of determining the liquidation preference, dividend amounts and annual and total return for the Series C Participating Preferred Shares based on the following hypothetical assumptions:

That the Series C Participating Preferred Shares were issued on March 31, 2014.

Constant annual home price appreciation of 5%.

Dividend rate per annum of 5.500% for the period from the date of issuance to but excluding March 31, 2021.

Dividend rate per annum of 10.000% for the period from and including March 31, 2021 until the Series C Participating Preferred Shares are no longer outstanding.

That during the period presented, there is not liquidation, dissolution or winding up of the Company and that we do not exercise our option to redeem or convert the Series C Participating Preferred Shares.

The information in this table is for illustrative purposes only and is not intended to predict future home price appreciation, liquidation preferences, dividend amounts or return on investment. See "Risk Factors The various hypothetical figures and illustrations contained in this prospectus should not be taken as an indication or prediction of future investment results" and "Risk Factors There is no guarantee that any HPA Amount will accrue or be paid on the Series C Participating Preferred Shares."

Year	Date	Cumulative Hypothetical HPA	Investor Participation Percentage	Hypothetical HPA Factor	Hypothetical HPA Amount	Hypothetical Liquidation Preference(1)	Hypothetical Dividend(2)	Hypothetical Return %	
								Annual	Gross(3)
Offering	March 31, 2014	(4)				\$25.00			
Year 1(5)	March 31, 2015	5.0%	50%	2.5%	\$0.63	\$25.63	\$1.375	8.00%	8.00%
Year 2(5)	March 31, 2016	10.0%	50%	5.0%	\$1.25	\$26.25	\$1.375	8.00%	16.00%
Year 3(5)	March 31, 2017	15.0%	50%	7.5%	\$1.88	\$26.88	\$1.375	8.00%	24.00%
Year 4(5)	March 31, 2018	20.0%	50%	10.0%	\$2.50	\$27.50	\$1.375	8.00%	32.00%
Year 5(6)	March 31, 2019	25.0%	50%	12.5%	\$3.13	\$28.13	\$1.375	8.00%	40.00%
Year 6(6)	March 31, 2020	30.0%	50%	15.0%	\$3.75	\$28.75	\$1.375	8.00%	48.00%
Year 7(6)	March 31, 2021	35.0%	50%	17.5%	\$4.38	\$29.38	\$1.375	8.00%	56.00%
Year 8(7)	March 31, 2022	40.0%	N/A		\$4.38	\$29.38	\$2.938	11.75%	67.75%

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Year 9(7)	March 31, 2023	45.0%	N/A	\$4.38	\$29.38	\$2.938	11.75%	79.50%
Year 10(7)	March 31, 2024	50.0%	N/A	\$4.38	\$29.38	\$2.938	11.75%	91.25%

(1)

Reflects the initial liquidation preference as increased by the hypothetical HPA Amount. The HPA Amount is subject to a cap such that the total internal rate of return, when considering the initial liquidation preference, the HPA Amount (if positive), plus dividends (whether paid or accrued) to, but excluding, the date of redemption, conversion or liquidation, will not exceed 9.0%. On March 31, 2021, the HPA Amount will become fixed (based on the HPA Amount calculated with respect to the period ended December 31, 2020) and cease to accrue and the dividend yield will increase to 10.000% per annum on the liquidation preference plus the HPA Amount. Such cap would apply (i) in the event of a liquidation, dissolution or winding up of the Company, (ii) if we exercise our option to redeem or convert the Series C Participating Preferred Shares prior to March 31, 2021 or (iii) on March 31, 2021, which is the date on which dividends begin to accrue on the initial liquidation preference plus the HPA Amount (if any). To illustrate the application of the cap, assuming a 10% rather than a 5% Cumulative Hypothetical HPA, and assuming that we have not redeemed or converted the Series C Participating Preferred Shares or liquidated, on December 31, 2020, the Hypothetical HPA Amount would be fixed at \$7.65, reflecting a 9.0% internal rate of return.

(2)

Hypothetical Dividend for years 1 through 7 assumes a hypothetical dividend rate per annum of 5.500%. The actual dividend rate per annum for the Series C Participating Preferred Shares may be greater or less than 5.500%, in which case the actual dividends, and annual and gross returns, would differ from those presented in the table above.

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- (3) Calculated as (A) cumulative dividends plus (i) hypothetical accrued HPA Amount (for periods prior to March 31, 2021) or (ii) the difference between the initial price of \$25.00 and the Adjusted Value (for periods after March 31, 2021) divided by (B) the \$25.00 issue price per Series C Participating Preferred Share.
- (4) The actual measuring date for the index will be from December 31, 2013. The March 31, 2014 measuring date is for illustrative purposes only.
- (5) Prior to April 1, 2018, the Series C Participating Preferred Shares are not convertible or redeemable.
- (6) From and after April 1, 2018, the Series C Participating Preferred Shares are redeemable and convertible at our option. See " Redemption" and " Conversion Rights."
- (7) From and after March 31, 2021, the HPA Amount will equal the HPA Amount calculated with respect to the period ended December 31, 2020, and will thereafter remain fixed at that amount. From and after March 31, 2021, a dividend rate of 10.000% per annum will be applied to the sum of the \$25.00 liquidation preference and the HPA Amount calculated with respect to the period ended December 31, 2020.

### **HPA Amount Cap**

Until March 31, 2021, the amount payable upon any conversion, redemption or liquidation event will be subject to a cap, such that the total internal rate of return, when considering the initial liquidation preference, plus the HPA Amount (if positive), plus all dividends (whether paid or accrued) to, but excluding, the date of such redemption, conversion or final distribution to holders in respect of a Liquidation Event, shall not exceed 9%. On March 31, 2021, the HPA Amount will become fixed (based on the HPA Amount calculated with respect to the period ended December 31, 2020) and cease to accrue and the dividend yield will increase to 10.000% per annum on the liquidation preference plus the HPA Amount.

### **Redemption**

#### *Redemption at Our Option*

We may not redeem the Series C Participating Preferred Shares until after March 31, 2018, except in limited circumstances relating to maintaining our qualification as a REIT, as described below in " Restrictions on Ownership and Transfer" and pursuant to the special optional redemption provisions upon a change in control that are specified below.

Any time after March 31, 2018 but before March 31, 2021, we may redeem for cash all but not less than all of the Series C Participating Preferred Shares at a redemption price per Series C Participating Preferred Share equal to the Final Liquidation Preference.

At any time on or after March 31, 2021, we may redeem for cash all but not less than all of the Series C Participating Preferred Shares at a redemption price per share equal to the initial liquidation preference, plus the HPA Amount (if positive) calculated with respect to the period ended December 31, 2020 (if the HPA Amount for such period is a positive number), plus any accrued but unpaid dividends. The initial liquidation preference of \$25.00 plus the HPA Amount calculated with respect to the period ended December 31, 2020, is referred to as the Adjusted Value.

There is no restriction on our ability to redeem Series C Participating Preferred Shares while dividends are in arrearage.

#### *Special Redemption Option upon a Change of Control*

Upon the occurrence of a Change of Control (as defined below), we may redeem for cash all but not less than all of the Series C Participating Preferred Shares within 120 days after the date on which such Change of Control occurred, by paying the Final Liquidation Preference. If, prior to the Change of Control Conversion Date (as defined below under the caption " Conversion Rights Conversion upon a Change in Control"), we have provided or provide notice of redemption with respect to the Series C Participating Preferred Shares (whether pursuant to our optional redemption right, our special redemption option or pursuant to the right described under " Redemption upon an Absence of Suitable Indices Event"), the holders of Series C Participating Preferred Shares will not be permitted to exercise the conversion right described below under " Conversion Rights Conversion upon a Change of Control."





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We will mail to you, if you are a record holder of the Series C Participating Preferred Shares, a notice of redemption no fewer than 30 days nor more than 60 days before the redemption date. We will send the notice to your address shown on our transfer books. A failure to give notice of redemption or any defect in the notice or in its mailing will not affect the validity of the redemption of any Series C Participating Preferred Shares except as to the holder to whom notice was defective. Each notice will state the following:

the redemption date;

the special redemption price;

a statement setting forth the calculation of such special redemption price;

the number of Series C Participating Preferred Shares to be redeemed;

the place or places where the certificates, if any, representing Series C Participating Preferred Shares are to be surrendered for payment of the redemption price;

procedures for surrendering noncertificated Series C Participating Preferred Shares for payment of the redemption price;

that dividends on the Series C Participating Preferred Shares to be redeemed will cease to accrue on such redemption date unless we fail to pay the redemption price on such date;

that payment of the redemption price and any accrued and unpaid dividends will be made upon presentation and surrender of such Series C Participating Preferred Shares;

that the Series C Participating Preferred Shares are being redeemed pursuant to our special redemption option right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control; and

that the holders of the Series C Participating Preferred Shares to which the notice relates will not be able to tender such Series C Participating Preferred Shares for conversion in connection with the Change of Control and each Series C Participating Preferred Share tendered for conversion that is selected, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

A "Change of Control" means, after the initial issuance of the Series C Participating Preferred Shares, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of securities of the Company entitling that person to exercise more than 50% of the total voting power of all shares of beneficial interest of the Company entitled to vote generally in the election of our trustees (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

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following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE MKT or the NASDAQ Stock Market, or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

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***Redemption upon an Absence of Suitable Indices Event***

If, following an Absence of Suitable Indices Event, we do not convert all of the outstanding Series C Participating Preferred Shares in accordance with the provisions described under " Conversion Rights Conversion upon an Absence of Suitable Indices Event," then we will redeem all of the Series C Participating Preferred Shares for cash at a redemption price equal to the Final Liquidation Preference.

**Conversion Rights**

***Conversion at Our Option***

At any time after March 31, 2018, we may convert all but not less than all of the Series C Participating Preferred Shares into our Class A common shares. The conversion ratio for such one-time conversion will be determined by a formula and cannot be determined until the conversion date.

If such one-time conversion occurs after March 31, 2018 but before March 31, 2021, the formula for determining the conversion ratio per Series C Participating Preferred Share will be the sum of (i) the initial liquidation preference, (ii) the HPA Amount for the relevant period (if the HPA Amount for such period is a positive number) and (iii) any accrued and unpaid dividends to, but excluding, the fourth business day following the notice of conversion, divided by the one-day volume-weighted average price of our Class A common shares on the NYSE, or VWAP, as reported by Bloomberg, if available, on the date the notice of conversion is issued.

If such one-time conversion occurs on or after March 31, 2021, the formula for determining the conversion ratio will be (i) the Adjusted Value, plus any accrued and unpaid dividends to, but excluding, the conversion date, divided by (ii) the VWAP as reported by Bloomberg, if available, on the date the notice of conversion is issued.

If a VWAP is not available on Bloomberg Business News or a similar publication, then the volume weighted average of the high and low trading prices of the Class A common shares on the NYSE (or, if not listed on the NYSE, such other domestic securities exchange as the Class A common shares may be listed or traded) calculated using the high and low prices (volume weighted) as reported on Bloomberg Business News or a similar publication on the date the notice of conversion is issued shall be used in place of VWAP for all purposes hereunder.

***Conversion upon a Change of Control***

Upon the occurrence of a Change of Control, each holder of Series C Participating Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date (as defined below), we have provided or provide notice of our election to redeem the Series C Participating Preferred Shares as described above under " Redemption Special Redemption Option upon a Change of Control") to convert some or all of the Series C Participating Preferred Shares held by such holder, or the Change of Control Conversion Right, on the Change of Control Conversion Date into a number of our Class A common shares per share of Series C Participating Preferred Shares to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of (x) the initial liquidation preference, plus (y) the HPA Amount for the relevant period (if the HPA Amount for such period is a positive number), plus (z) any accrued and unpaid dividends (whether or not declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series C Participating Preferred Shares dividend payment for which dividends have been declared and prior to the corresponding Series C Participating Preferred Shares dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) and such declared dividend will instead be paid, on such

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dividend payment date, to the holder of record of the Series C Participating Preferred Shares to be converted as of 5:00 p.m. New York City time, on such record date) by (ii) the Class A Share Price (as defined below); and

(i.e., the Share Cap), subject to certain adjustments;

subject, in each case, to provisions for the receipt of alternative consideration as described in this prospectus.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common shares), subdivisions or combinations (in each case, a "Share Split") with respect to our common shares as follows: the adjusted Share Cap as the result of a Share Split will be the number of common shares that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of common shares outstanding after giving effect to such Share Split and the denominator of which is the number of our common shares outstanding immediately prior to such Share Split.

In the case of a Change of Control pursuant to which our common shares will be converted into cash, securities or other property or assets (including any combination thereof), or the Alternative Form Consideration, a holder of Series C Participating Preferred Shares will receive upon conversion of such Series C Participating Preferred Shares the kind and amount of Alternative Form Consideration that such holder would have owned or to which that holder would have been entitled to receive upon the Change of Control had such holder held a number of shares of our common shares equal to the Common Share Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration," and the Common Share Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, is referred to as the "Conversion Consideration").

If the holders of our common shares have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration will be deemed to be the kind and amount of consideration actually received by holders of a majority of our common shares that voted for such an election (if electing between two types of consideration) or holders of a plurality of our common shares that voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of our common shares are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the Change of Control.

Within 15 days following the occurrence of a Change of Control, we will provide to holders of Series C Participating Preferred Shares a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. This notice will state the following:

the events constituting the Change of Control;

the date of the Change of Control;

the last date and time by which the holders of Series C Participating Preferred Shares may exercise their Change of Control Conversion Right;

the method and period for calculating the Class A Share Price;

the Change of Control Conversion Date;

that if, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem all or any portion of the Series C Participating Preferred Shares, holders will not be able to convert Series C Participating Preferred Shares designated for redemption

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and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;

if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per Series C Participating Preferred Share;

the name and address of the paying agent and the conversion agent; and

the procedures that the holders of Series C Participating Preferred Shares must follow to exercise the Change of Control Conversion Right.

We will issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post a notice on our website, in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of Series C Participating Preferred Shares.

To exercise the Change of Control Conversion Right, the holders of Series C Participating Preferred Shares will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) or book entries representing Series C Participating Preferred Shares to be converted, duly endorsed for transfer (if certificates are delivered), together with a completed written conversion notice to our transfer agent. The conversion notice must state:

the relevant Change of Control Conversion Date;

the number of Series C Participating Preferred Shares to be converted; and

that the Series C Participating Preferred Shares are to be converted pursuant to the Change of Control Conversion Right Series C Participating Preferred Shares.

The "Change of Control Conversion Date" is the date on which the Series C Participating Preferred Shares are to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series C Participating Preferred Shares.

The "Class A Share Price" will be (i) if the consideration to be received in the Change of Control by the holders of our Class A common shares is solely cash, the amount of cash consideration per Class A common share or (ii) if the consideration to be received in the Change of Control by holders of our Class A common shares is other than solely cash (x) the average of the closing sale prices per share of our Class A common shares (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) for the 10 consecutive trading days immediately preceding, but not including, the effective date of the Change of Control as reported on the principal U.S. securities exchange on which our Class A common shares are then traded, or (y) the average of the last quoted bid prices for our Class A common shares in the over-the-counter market as reported by OTC Markets Group, Inc. or similar organization for the 10 consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if our Class A common shares are not then listed for trading on a U.S. securities exchange.

***Conversion upon an Absence of Suitable Indices Event***

If, following an Absence of Suitable Indices Event, we do not redeem all of the outstanding Series C Participating Preferred Shares in accordance with the provisions described under "Redemption Redemption upon an Absence of Suitable Indices Event," then we will convert all of the Series C Participating Preferred Shares into Class A common shares, at a conversion ratio per

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Series C Participating Preferred Share equal to the sum of (i) the initial liquidation preference, (ii) the HPA Amount for the relevant period (if the HPA Amount for such period is a positive number) and (iii) any accrued and unpaid dividends to, but excluding, the fourth business day following the notice of conversion, divided by the VWAP, as reported by Bloomberg, if available, on the day the notice of conversion is issued.

If a VWAP is not available on Bloomberg Business News or a similar publication, then the volume weighted average of the high and low trading prices of our Class A common shares on the NYSE (or, if not listed on the NYSE, such other domestic securities exchange as our Class A common shares may be listed or traded) calculated using the high and low prices (volume weighted) as reported on Bloomberg Business News or a similar publication on the date the notice of conversion is issued shall be used in place of VWAP for all purposes hereunder.

***Fractional Shares; Delivery of Class A Common Shares***

Upon conversion of the Series C Participating Preferred Shares, whether pursuant to the rights described under " Conversion at Our Option," " Conversion upon a Change of Control" or " Conversion upon an Absence of Suitable Indices Event," we will deliver the Class A common shares due upon conversion as soon as practicable on or after, but in no event later than the fourth business day after, the conversion date or Change of Control Conversion Date, as applicable. However, on the conversion date or Change of Control Conversion Date, as applicable, the holder to whom the Class A common shares due upon conversion are to be issued will be deemed to be a holder of record of such Class A common shares.

We will not issue fractional Class A common shares upon the conversion of the Series C Participating Preferred Shares. Instead, we will pay the cash value of any fractional share otherwise due, computed on the basis of the applicable per share VWAP for a conversion at our option or the Class A Share Price for a conversion upon a Change of Control, as applicable.

**Power to Increase or Decrease Authorized Shares and Issue Additional Shares of Our Common and Preferred Shares**

Our declaration of trust authorizes our board of trustees, with the approval of a majority of the entire board, to amend our declaration of trust to increase or decrease the aggregate number of authorized shares or the number of authorized shares of any class or series without shareholder approval. We believe that the power of our board of trustees to increase or decrease the number of authorized shares and to classify or reclassify unissued common shares or preferred shares and thereafter to cause us to issue such shares will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs which might arise. The additional classes or series, as well as the additional shares, will be available for issuance without further action by our shareholders, unless such action is required by applicable law, the terms of any other class or series of shares or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although our board of trustees does not intend to do so, it could authorize us to issue a class or series that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for our shareholders or otherwise be in their best interests.

**Restrictions on Ownership and Transfer**

In order to qualify as a REIT under the Code, our shares must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to be a REIT has been made) or during a proportionate part of a shorter taxable year.

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Due to limitations on the concentration of ownership of REIT shares imposed by the Code, subject to certain exceptions, our declaration of trust provides that:

no person may beneficially own more than 8.0% (in value or in number of shares, whichever is more restrictive) of the outstanding common shares, other than an "excepted holder" and a "designated investment entity";

no "excepted holder," which refers to certain members of the Hughes family, certain trusts established for the benefit of members of the Hughes family, certain related entities, as well as persons whose ownership of shares would cause members of the Hughes family to be deemed to own shares pursuant to application attribution rules under the Code, may own directly or indirectly common shares if, under the applicable tax attribution rules of the Code, (i) any single excepted holder who is treated as an individual would beneficially own more than 17.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares; (ii) any two excepted holders treated as individuals would beneficially own more than 25.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares; (iii) any three excepted holders treated as individuals would beneficially own more than 33.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares; (iv) any four excepted holders treated as individuals would beneficially own more than 41.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares; or (v) any five excepted holders treated as individuals would beneficially own more than 49.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares;

no "designated investment entity," which refers to certain pension trusts, regulated investment companies and qualified investment managers may own no more than 9.9% (in value or in number of shares, whichever is more restrictive) of the outstanding common shares; and

no person may beneficially own more than 9.9% (in value or in number of shares, whichever is more restrictive) of any class or series of outstanding preferred shares.

Our declaration of trust defines a "designated investment entity" as:

an entity that is a pension trust that qualifies for look-through treatment under Section 856(h) of the Code;

an entity that qualifies as a regulated investment company under Section 851 of the Code; or

an entity (referred to in our declaration of trust as a "qualified investment manager") that (i) for compensation engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing or selling securities; (ii) purchases securities in the ordinary course of its business and not with the purpose or effect of changing or influencing control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) of the Exchange Act; and (iii) has or shares voting power and investment power under the Exchange Act; so long as each beneficial owner of such entity, or in the case of a qualified investment manager holding shares solely for the benefit of its customers, each such customer, would satisfy the ownership limit described above, if such beneficial owner owned directly its proportionate share of the common shares that are held by such designated investment entity.

Our declaration of trust also prohibits any person from, among other matters:

beneficially owning equity shares if such ownership would result in our being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a year);





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transferring equity shares if such transfer would result in our equity shares being owned by less than 100 persons, effective beginning on the date on which we first have 100 shareholders; and

beneficially owning equity shares if such beneficial ownership would otherwise cause us to fail to qualify as a REIT under the Code.

Our board of trustees may exempt a person from the 8.0% common share ownership limit, the 9.9% preferred share ownership limit, or the 9.9% designated investment entity limit, if such Person submits to the board of trustees information satisfactory to the board of trustees, in its sole and absolute discretion:

demonstrating that such person is not an individual for purposes of Section 542(a)(2) of the Code (determined taking into account Section 856(h)(3)(A) of the Code); and

relevant to demonstrating that no person who is an individual for purposes of Section 542(a)(2) of the Code (determined taking into account Section 856(h)(3)(A) of the Code) would be considered to beneficially own equity shares in excess of the common share ownership limit, the preferred share ownership limit, the excepted holder limit, or the designated investment entity limit, as applicable, by reason of such person's ownership of equity shares in excess of the common share ownership limit, the preferred share ownership limit, or the designated investment entity limit, as the case may be, pursuant to an exemption granted under the declaration of trust.

Prior to granting an exemption, our board of trustees, in its sole and absolute discretion, may require a ruling from the IRS or an opinion of counsel, in either case in form and substance satisfactory to our board of trustees, in its sole and absolute discretion as it may deem necessary or advisable in order to determine or ensure the our status as a REIT. Notwithstanding the receipt of any ruling or opinion, our board of trustees may impose such conditions or restrictions as it deems appropriate in connection with granting such exception; provided, however, that our board of trustees will not be obligated to require obtaining a favorable ruling or opinion in order to grant an exemption hereunder.

Our declaration of trust also provides that any ownership or purported transfer of our shares (whether or not such transfer is the result of a transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system) in violation of the foregoing restrictions will result in the shares owned or transferred in such violation being automatically transferred to one or more charitable trusts for the benefit of a charitable beneficiary and the purported owner or transferee acquiring no rights in such shares, except that any transfer that results in the violation of the restriction relating to our equity shares being beneficially owned by fewer than 100 persons will be void *ab initio*. In either case, the proposed transferee will not acquire any rights in those shares. The automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of the purported transfer or other event that results in the transfer to the trust. Shares held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares held in the trust, will have no rights to dividends or other distributions and will have no rights to vote or other rights attributable to the shares held in the trust. The trustee of the trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary. Any dividend or other distribution paid prior to our discovery that shares have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or other distribution paid to the trustee will be held in trust for the charitable beneficiary. Subject to Maryland law, the trustee will have the authority (i) to rescind as void any vote cast by the proposed transferee prior to our discovery that the shares have been transferred to the trust and (ii) to recast the vote in accordance with the desires of the trustee acting for the benefit of the

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charitable beneficiary. However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days of receiving notice from us that our shares have been transferred to the trust, the trustee will sell the shares to a person, designated by the trustee, whose ownership of the shares will not violate the above ownership and transfer limitations. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiary as follows. The proposed transferee will receive the lesser of (i) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust (e.g., a gift, devise or other similar transaction), the market price (as defined in our declaration of trust) of the shares on the day of the event causing the shares to be held in the trust and (ii) the price per share received by the trustee (net of any commission and other expenses of sale) from the sale or other disposition of the shares. The trustee may reduce the amount payable to the proposed transferee by the amount of dividends and other distributions that have been paid to the proposed transferee and are owed by the proposed transferee to the trustee. Any net sale proceeds in excess of the amount payable to the proposed transferee will be paid immediately to the charitable beneficiary. If, prior to our discovery that our shares have been transferred to the trust, the shares are sold by the proposed transferee, then (i) the shares shall be deemed to have been sold on behalf of the trust and (ii) to the extent that the proposed transferee received an amount for the shares that exceeds the amount he or she was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, shares held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in the transfer to the trust (or, in the case of a devise or gift, the market price at the time of the devise or gift) and (ii) the market price on the date we, or our designee, accept the offer, which we may reduce by the amount of dividends and distributions that have been paid to the proposed transferee and are owed by the proposed transferee to the trustee. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee.

If a transfer to a charitable trust, as described above, would be ineffective for any reason to prevent a violation of the restriction, the transfer that would have resulted in such violation will be void *ab initio*, and the proposed transferee shall acquire no rights in those shares.

Any certificate representing our equity shares, and any notices delivered in lieu of certificates with respect to the issuance or transfer of uncertificated shares, will bear a legend referring to the restrictions described above. We do not expect to issue certificates representing our equity shares.

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of our equity shares that will or may violate any of the foregoing restrictions on ownership and transfer, or any person who would have owned our equity shares that resulted in a transfer of shares to a charitable trust, is required to give written notice immediately to us, or in the case of a proposed or attempted transaction, to give at least 15 days' prior written notice, and provide us with such other information as we may request in order to determine the effect of the transfer on our status as a REIT. The foregoing restrictions on ownership and transfer will not apply if our board of trustees determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Every owner of more than 5% (or any lower percentage as required by the Code or the regulations promulgated thereunder) in number or value of the outstanding equity shares, within 30 days after the end of each taxable year, is required to give us written notice, stating his or her name and address, the number of shares of each class and series of our equity shares that he or she beneficially owns and a description of the manner in which the shares are held. Each of these owners

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must provide us with additional information that we may request in order to determine the effect, if any, of his or her beneficial ownership on our status as a REIT and to ensure compliance with the ownership limits. In addition, each shareholder will upon demand be required to provide us with information that we may request in good faith in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine our compliance.

These ownership limitations could delay, defer or prevent a transaction or a change in control that might involve a premium price for our common shares or otherwise be in the best interest of our shareholders.

### **Listing**

We intend to apply to list the Series C Participating Preferred Shares on the NYSE under the symbol "AMHPRC." If the listing application is approved, we expect trading of the Series C Participating Preferred Shares to commence within 30 days after initial delivery of the shares.

### **Transfer Agent and Registrar**

We have retained American Stock Transfer & Trust Company, LLC as the transfer agent and registrar for our Series C Participating Preferred Shares.

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**DESCRIPTION OF EQUITY SHARES**

The following is a summary of the material terms of our equity shares and certain terms of our declaration of trust and bylaws.

**General**

We are authorized to issue 500,000,000 common shares, consisting of 450,000,000 Class A common shares of beneficial interest, \$0.01 par value per share ("Class A common shares"), and 50,000,000 Class B common shares of beneficial interest, \$0.01 par value per share ("Class B common shares," together with the Class A common shares, the "common shares") and 100,000,000 preferred shares of beneficial interest, \$0.01 par value per share ("Preferred Shares"). Except as provided below, the Class A common shares and Class B common shares have the same rights and privileges, rank equally and are otherwise identical in all respects. Our declaration of trust authorizes our board of trustees, with the approval of a majority of the entire board and without any action on the part of our shareholders, to amend our declaration of trust to increase or decrease the aggregate number of authorized shares or the number of authorized shares of any class or series without shareholder approval. Maryland law provides, and our declaration of trust provides, that none of our shareholders are personally liable for any of our obligations solely as a result of that shareholder's status as a shareholder.

Immediately prior to the completion of this offering and the concurrent private placement, there were 184,869,219 Class A common shares outstanding and 15 shareholders of record, 635,075 Class B common shares outstanding and one shareholder of record and 9,460,000 Preferred Shares outstanding and one shareholder of record. The actual number of holders of our Class A common shares and our Preferred Shares is greater than the record number of holders and includes shareholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. Upon completion of this offering and the concurrent private placement, 184,869,219 Class A common shares, 635,075 Class B common shares, 5,060,000 Preferred Shares designated as "Series A Participating Preferred Shares," 4,400,000 Preferred Shares designated as "Series B Participating Preferred Shares" and 6,700,000 Preferred Shares designated as "Series C Participating Preferred Shares" will be outstanding (assuming the underwriters do not exercise their option to purchase an additional 975,000 Series C Participating Preferred Shares).

**Common Shares**

Subject to the preferential rights, if any, of holders of any other class or series of shares and to the provisions of our declaration of trust regarding restrictions on ownership and transfer of our shares, holders of our common shares:

have the right to receive ratably any distributions from funds legally available therefor, when, as and if authorized by our board of trustees and declared by us; and

are entitled to share ratably in the assets of our company legally available for distribution to the holders of our common shares in the event of our liquidation, dissolution or winding up of our affairs.

There are generally no redemption, sinking fund, conversion, preemptive or appraisal rights with respect to our common shares.

Under Title 8, a Maryland REIT generally cannot amend its declaration of trust or merge with another entity unless declared advisable by a majority of the board of trustees and approved by the affirmative vote of shareholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter unless a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter, is set forth in the REIT's declaration of trust. Our declaration of trust provides that such actions (other than certain amendments to the provisions of our declaration of trust related to the

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removal of trustees, the restrictions on ownership and transfer of our shares and termination of the trust) may be taken if declared advisable by a majority of our board of trustees and approved by the vote of shareholders holding a majority of the votes entitled to be cast on the matter.

Subject to the provisions of our declaration of trust regarding the restrictions on ownership and transfer of our shares and except as may otherwise be specified in our declaration of trust, each outstanding Class A common share entitles the holder to one vote, and each outstanding Class B common share entitles the holder to 50 votes, on all matters on which the shareholders of Class A common shares are entitled to vote, including the election of trustees, and, except as provided with respect to any other class or series of shares, the holders of Class A common shares and Class B common shares will vote together as a single class and will possess the exclusive voting power. Notwithstanding the foregoing, holders of Class B Shares are not entitled to vote on any matter requiring Partnership Approval, including as described in "Operating Partnership and the Partnership Agreement Partnership Approval for Transfers, Mergers, Sales of Assets." In addition, in no event may holders of shares beneficially owned by Mr. Hughes or HF Investments 2010, LLC, as determined in accordance with Rule 13d-3 under the Exchange Act, vote more than 30% of the total votes entitled to be cast on any particular matter nor more than 18% of the total votes of the Class A common shares. There is no cumulative voting in the election of our trustees, which means that the shareholders entitled to cast a majority of the votes of the outstanding common shares can elect all of the trustees then standing for election, and the holders of the remaining shares will not be able to elect any trustees. Trustees are elected by a plurality of all the votes cast in the election of trustees. Under a plurality voting standard, trustees who receive the greatest number of votes cast in their favor are elected to the board of trustees.

**Series A Participating Preferred Shares**

***General***

The following description of certain terms and conditions of our Series A Participating Preferred Shares does not purport to be complete and is in all respects subject to, and qualified in its entirety by reference to our declaration of trust, including the Articles Supplementary setting forth the terms of our Series A Participating Preferred Shares, our bylaws and Maryland law. Our declaration of trust, including the Articles Supplementary for our Series A Participating Preferred Shares, and our bylaws are incorporated by reference into this prospectus from our SEC filings. Capitalized terms used in the following description shall have the meanings set forth in the Articles Supplementary for the Series A Participating Preferred Shares. As used in this " Series A Participating Preferred Shares," these terms do not apply to our Series C Participating Preferred Shares.

***Maturity and Preemptive Rights***

The Series A Participating Preferred Shares have no stated maturity and are not subject to any sinking fund or mandatory redemption (except as described below under " Redemption Redemption upon an Absence of Suitable Indices Event" and " Conversion Rights Conversion upon an Absence of Suitable Indices Event"), and will remain outstanding indefinitely unless (i) we redeem such Series A Participating Preferred Shares at our option as described below in " Redemption Redemption at Our Option," (ii) we convert such Series A Participating Preferred Shares at our option as described below in " Conversion Rights Conversion at Our Option" or (iii) subject to our special right of redemption in the event of a Change of Control (as defined below), they are converted by the holder of such Series A Participating Preferred Shares in the event of a Change of Control as described below in " Conversion Rights Conversion upon a Change of Control."

There are generally no preemptive rights with respect to our Series A Participating Preferred Shares.

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**Ranking**

The Series A Participating Preferred Shares rank, with respect to dividend rights and rights upon our liquidation, dissolution or winding up:

- (1) senior to our common shares and to any other class or series of our equity shares expressly designated as ranking junior to the Series A Participating Preferred Shares;
- (2) on parity with any other preferred or convertible preferred securities, including the Series B and Series C Participating Preferred Shares; and
- (3) junior to all equity shares issued by us with terms specifically providing that those equity shares rank senior to the Series A Participating Preferred Shares with respect to rights of dividend payments and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of our company, or Liquidation Event, which issuance is subject to the approval of the holders of two-thirds of the outstanding Series A Participating Preferred Shares and any parity preference shares.

The term "equity shares" does not include convertible debt securities, which debt securities would rank senior to the Series A Participating Preferred Shares.

**Dividends**

Holders of the Series A Participating Preferred Shares are entitled to receive cumulative cash dividends payable quarterly in arrears on the last day of March, June, September and December of each year, at the rate of 5.000% per annum on the initial liquidation preference per share (equivalent to the fixed annual rate of \$1.25 per share). The first dividend was paid on December 31, 2013 to holders of record as of December 15, 2013 and was a pro rata dividend from and including October 25, 2013, or the original issue date, to but excluding December 31, 2013. If any dividend payment date falls on any day other than a business day as defined in the Articles Supplementary for our Series A Participating Preferred Shares, the dividend due on such dividend payment date is paid on the first business day immediately following such dividend payment date, and no dividends will accrue as a result of such delay. Dividends accrue and are cumulative from, and including, the prior dividend payment date (or, if no prior dividend payment date, the original issue date of the Series A Participating Preferred Shares) to, but excluding, the next dividend payment date, to holders of record as of 5:00 p.m., New York time, on the related record date. The record dates for the Series A Participating Preferred Shares are the March 15, June 15, September 15 or December 15 immediately preceding the relevant dividend payment date, regardless of whether that day is a business day. Prior to September 30, 2020, no dividends will accrue or be paid on any HPA Amount (as defined below).

On and after September 30, 2020, in lieu of the dividend rate detailed in the preceding paragraph, a dividend rate of 10.000% per annum will accrue and be paid on the initial liquidation preference per Series A Participating Preferred Share plus the HPA Amount, if any.

Our board of trustees will not authorize and we will not pay or set apart for payment dividends on our Series A Participating Preferred Shares at any time when the terms and provisions of any agreement of ours, including any agreement relating to our indebtedness, prohibits the authorization, payment or setting apart for payment or provides that the authorization, payment or setting apart for payment would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment shall be restricted or prohibited by law. We also have the right to withhold, from any amounts otherwise payable to you, with respect to all distributions (deemed or actual) to the extent that withholding is or was required for such distributions under applicable tax withholding rules. You should review the information appearing in the last paragraph under the caption " Dividends" for information regarding the circumstances under which the terms of our credit facility may limit or prohibit the payment of dividends on the Series A Participating Preferred Shares.

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Notwithstanding the foregoing, dividends on the Series A Participating Preferred Shares accrue whether or not there are funds legally available for the payment of those dividends, whether or not we have earnings and whether or not those dividends are authorized. No interest, or sum in lieu of interest, is payable in respect of any dividend payment or payments on the Series A Participating Preferred Shares that may be in arrears, and holders of the Series A Participating Preferred Shares are not entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series A Participating Preferred Shares, including any Capital Gains Amounts, as described in the paragraph below, is first credited against the earliest accrued but unpaid dividend due with respect to those shares.

If, for any taxable year, we designate as a "capital gain dividend," as defined in Section 857 of the Code, any portion of the dividends, or the Capital Gains Amount, as determined for federal income tax purposes, paid or made available for that year to holders of all classes of our shares of beneficial interest, then, except as otherwise required by applicable law, the portion of the Capital Gains Amount that shall be allocable to the holders of the Series A Participating Preferred Shares will be in proportion to the amount that the total dividends, as determined for federal income tax purposes, paid or made available to holders of Series A Participating Preferred Shares for the year bears to the total dividends paid or made available for that year to holders of all classes of our shares of beneficial interest. In addition, except as otherwise required by applicable law, we will make a similar allocation with respect to any undistributed long-term capital gains that are to be included in our shareholders' long-term capital gains, based on the allocation of the Capital Gains Amount that would have resulted if those undistributed long-term capital gains had been distributed as "capital gain dividends" by us to our shareholders.

Future distributions on our common shares and preferred shares, including our Series A, Series B and Series C Participating Preferred Shares, will be at the discretion of our board of trustees and will depend on, among other things, our results of operations, funds from operations, cash flow from operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Code, our debt service requirements and any other factors our board of trustees deems relevant. In addition, our credit facility contains provisions that could limit or, in certain cases, prohibit the payment of distributions on our common shares and preferred shares. Accordingly, although we expect to pay quarterly cash distributions on our common shares and scheduled cash dividends on our preferred shares, we cannot guarantee that we will maintain these distributions or what the actual distributions will be for any future period.

***Voting Rights***

Holders of the Series A Participating Preferred Shares generally have no voting rights. However, in the event we are in arrears on dividends, whether or not authorized or declared, on the Series A Participating Preferred Shares for six or more quarterly periods, whether or not consecutive, holders of Series A Participating Preferred Shares (voting separately as a class together with the holders of all other classes or series of parity preferred shares and upon which like voting rights have been conferred and are exercisable) will be entitled to elect two additional trustees at a special meeting called upon the request of at least 10% of such holders or at our next annual meeting and each subsequent annual meeting of shareholders, each additional trustee being referred to as a Preferred Share Trustee, until all unpaid dividends with respect to the Series A Participating Preferred Shares and such other classes or series of preferred shares with like voting rights, including the Series B and Series C Participating Preferred Shares, have been paid or declared and set aside for payment. Preferred Share Trustees will be elected by a vote of holders of record of a majority of the outstanding Series A Participating Preferred Shares and any other series of parity equity shares with like voting rights, including the Series B and Series C Participating Preferred Shares, voting together as a class. Special meetings called in accordance with the provisions described in this paragraph shall be subject to the procedures in our bylaws, except that we, rather than the holders of Series A Participating Preferred Shares, or any other



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class or series of parity preferred shares entitled to vote thereon when they have the voting rights described above (voting together as a single class), including the Series B and Series C Participating Preferred Shares will pay all costs and expenses of calling and holding the meeting.

Any Preferred Share Trustee may be removed at any time with or without cause by the vote of, and may not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding Series A Participating Preferred Shares and all other classes or series of parity preferred shares entitled to vote thereon when they have the voting rights described above (voting together as a single class), including the Series B and Series C Participating Preferred Shares. So long as a dividend arrearage continues, any vacancy in the office of a Preferred Share Trustee may be filled by written consent of the Preferred Share Trustee remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding Series A Participating Preferred Shares when they have the voting rights described above (voting as a single class with all other classes or series of parity preferred shares upon which like voting rights have been conferred and are exercisable), including the Series B and Series C Participating Preferred Shares.

So long as any Series A Participating Preferred Shares remain outstanding, we will not, without the affirmative vote or written consent of the holders of at least two-thirds of the then-outstanding Series A Participating Preferred Shares and each other class or series of parity preferred shares with like voting rights (voting together as a single class), including the Series B and Series C Participating Preferred Shares, authorize, create, or increase the number of authorized or issued shares of, any class or series of equity shares ranking senior to the Series A Participating Preferred Shares with respect to rights of dividend payments and the distribution of assets upon a Liquidation Event, or reclassify any of our authorized capital stock into such capital stock, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase such capital stock.

In addition, the affirmative vote or written consent of the holders of at least two-thirds of the outstanding Series A Participating Preferred Shares and each other class or series of parity preferred shares with like voting rights (voting together as a single class), including the Series B and Series C Participating Preferred Shares, is required for us to amend, alter or repeal any provision of our declaration of trust so as to materially and adversely affect the terms of the Series A Participating Preferred Shares. If such amendment to our declaration of trust does not equally affect the terms of the Series A Participating Preferred Shares and the terms of one or more other classes or series of parity preferred shares, the affirmative vote or written consent of the holders of at least two-thirds of the shares outstanding at the time of Series A Participating Preferred Shares, voting separately as a class, is required. Holders of the Series A Participating Preferred Shares also have the exclusive right to vote on any amendment to our declaration of trust on which holders of the Series A Participating Preferred Shares are otherwise entitled to vote and that would alter only the rights, as expressly set forth in our declaration of trust, of the Series A Participating Preferred Shares.

In any matter in which holders of Series A Participating Preferred Shares may vote (as expressly provided in the articles supplementary setting forth the terms of the Series A Participating Preferred Shares), each Series A Participating Preferred Share is entitled to one vote per share.

*Liquidation Preference*

If we experience a Liquidation Event, holders of our Series A Participating Preferred Shares will have the right to receive the sum of (i) the initial liquidation preference, (ii) the HPA Amount (if the HPA Amount for the relevant period is a positive number) and (iii) an amount per Series A Participating Preferred Share equal to all dividends (whether or not authorized or declared) accrued and unpaid thereon to, but excluding, the date of final distribution to such holders, or the Final Liquidation Preference, before any distribution or payment is made to holders of our securities and any other class or series of our equity shares ranking junior to the Series A Participating Preferred Shares as to liquidation, dissolution or winding up. The rights of holders of Series A Participating Preferred

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Shares to receive this amount will be subject to the proportionate rights of any other class or series of our equity shares ranking on parity with the Series A Participating Preferred Shares as to rights upon liquidation, dissolution or winding up, including the Series B and Series C Participating Preferred Shares, and junior to the rights of any class or series of our equity shares expressly designated as ranking senior to the Series A Participating Preferred Shares.

Holders of Series A Participating Preferred Shares are entitled to written notice of any distribution in connection with any Liquidation Event not less than 30 days and not more than 60 days prior to the distribution payment date. After payment of the full amount of the liquidating distributions to which they are entitled, holders of Series A Participating Preferred Shares will have no right or claim to any of our remaining assets. Our consolidation or merger with or into any other corporation, trust or other entity, or the voluntary sale, transfer or conveyance of all or substantially all of our property or business, will not be deemed to constitute a Liquidation Event.

In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of any of our shares of beneficial interest or otherwise, is permitted under Maryland law, amounts that would be needed, if we were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of Series A Participating Preferred Shares will not be added to our total liabilities.

***Home Price Appreciation Amount***

The initial liquidation preference for the Series A Participating Preferred Shares may be increased by the HPA Amount. The HPA Amount for any period will equal the product of the initial liquidation preference and the HPA Factor for such period. However, the HPA Amount for all periods after September 30, 2020 will be equal to the HPA Amount calculated with respect to the period ended June 30, 2020, and the HPA Amount will be subject to a cap as described below under the caption " HPA Amount Cap."

The HPA Amount may be realized upon (i) exercise by us of our optional redemption right or conversion right after September 30, 2017, (ii) any conversion or redemption in connection with a Change of Control (as defined below) or (iii) liquidation, dissolution or winding up of the Company. In addition, on and after September 30, 2020, dividends will accrue on the HPA Amount, if any, added to the initial liquidation preference per Series A Participating Preferred Share.

***Home Price Appreciation Factor***

HPA represents the cumulative change in value from June 30, 2013 of an index tracking the purchase prices of single-family homes located in our top 20 markets, by estimated total investment, as of July 31, 2013. HPA is determined using the Quarterly POI, specifically the non-seasonally adjusted "Purchase-Only Index" for the "100 Largest Metropolitan Statistical Areas," currently disclosed at the following URL: [http://www.fhfa.gov/DataTools/Downloads/Documents/HPI/HPI\\_PO\\_metro.txt](http://www.fhfa.gov/DataTools/Downloads/Documents/HPI/HPI_PO_metro.txt). The contents of the FHFA website are not incorporated by reference in or otherwise part of this prospectus. Other indices referenced in this prospectus will not be used in calculating the HPA Amount.

The POI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales of the same single-family properties. This information is obtained by reviewing repeat transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac since January 1975. Only mortgage transactions involving single-family homes are included. Conforming refers to a mortgage that both meets the underwriting guidelines of Fannie Mae or Freddie Mac and that does not exceed the conforming loan limit that is currently \$625,000 for mortgages in the contiguous United States originated after September 30, 2011. Conventional mortgages are those that are neither insured nor guaranteed by the FHA, VA or other federal government entities. Mortgages on properties financed by government-insured loans, such as FHA or

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VA mortgages, are excluded from the POI, as are properties with mortgages that have a principal amount exceeding the conforming loan limit.

Subject to the calculation of the HPA as described below, the value set forth in the POI, or the POI Value, with respect to each of the 21 metropolitan statistical areas (each, an "MSA") listed below, is used for the purpose of calculating HPA.

HPA for the Series A Participating Preferred Shares is calculated as follows:

- (i) The change in HPA for each MSA since June 30, 2013 is calculated promptly following each date of FHFA's release of the POI for each quarter, or Index Release Date, in accordance with the following equation, where "MSA<sub>x</sub>" represents any given MSA and "HPA<sub>x</sub>" represents the change in HPA for such MSA:  
$$\text{HPA}_x = ((\text{POI Value for MSA}_x \text{ as of the most recent Index Release Date} \div \text{POI Value for MSA}_x \text{ as of June 30, 2013}) \times 100) - 100$$
- (ii) The "Cumulative HPA" is the sum of the twenty-one (21) products of (A) the change in HPA for a given MSA since June 30, 2013 (expressed below as "HPA<sub>x</sub>" and, for any given MSA, as calculated as described in paragraph (i) above and (B) the relative weighting for a given MSA (expressed below as "W<sub>x</sub>" and, for any given MSA, as set forth in the table in paragraph (iii) below, divided by 100 in order to be expressed as a percentage, which will be calculated promptly following each Index Release Date in accordance with the following equation:

$$\text{Cumulative HPA} = ((\text{HPA}_1 \times \text{W}_1) + (\text{HPA}_2 \times \text{W}_2) + (\text{HPA}_3 \times \text{W}_3) + \dots (\text{HPA}_{21} \times \text{W}_{21})) \div 100$$

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(iii)

The following relative weightings for each MSA are used in determining Cumulative HPA in accordance with paragraph (ii) above:

MSA	Relative Weighting Applied in Determining Cumulative HPA
Dallas Plano Irving, TX(1)	4.754%
Fort Worth Arlington, TX(1)	4.753%
Indianapolis Carmel Anderson, IN	8.880%
Chicago Naperville Arlington Heights, IL	7.679%
Atlanta Sandy Springs Roswell, GA	7.545%
Nashville Davidson Murfreesboro Franklin, TN	6.390%
Houston The Woodlands Sugar Land, TX	6.312%
Cincinnati, OH KY IN	6.119%
Salt Lake City, UT	5.495%
Tampa St. Petersburg Clearwater, FL	5.361%
Charlotte Concord Gastonia, NC	5.354%
Phoenix Mesa Scottsdale, AZ	5.270%
Jacksonville, FL	4.776%
Las Vegas Henderson Paradise, NV	4.371%
Raleigh, NC	4.040%
Columbus, OH	3.167%
Orlando Kissimmee Sanford, FL	3.036%
Tucson, AZ	1.867%
Greensboro High Point, NC	1.789%
Austin Round Rock, TX	1.550%
San Antonio New Braunfels, TX	1.490%
<b>TOTAL (21 MSAs)</b>	<b>100%</b>

(1)

Our Dallas-Fort Worth, TX market is comprised of the Dallas-Plano-Irving and Fort Worth-Arlington Metropolitan Divisions.

The change in HPA for each MSA since June 30, 2013 is included in the calculation of "Cumulative HPA" regardless of whether it is positive, negative or zero. The home price appreciation factor, or HPA Factor, for any period equals the product of Cumulative HPA (calculated as described above) for such period (expressed as a percentage) multiplied by a constant investor participation percentage of 50%. The HPA Amount, at any time it is measured, cannot be negative, so the liquidation preference per Series A Participating Preferred Share is always at least \$25.00.

The FHFA has historically released the POI for a given quarter near the end of the second month after the end of that quarter. We make available each quarter the quarterly measurement showing the aggregate HPA Amount per Series A Participating Preferred Share across quarters and weighted by markets based on the POI provided by the FHFA. We also provide updates and maintain such information on the "For Investors" page of our corporate website.

If at any time prior to September 30, 2020, the FHFA no longer publishes the POI, or if the POI no longer covers one or more of our top 20 markets as of July 31, 2013, we will promptly make a good faith selection of a publicly available alternative index or indices after examining publicly available indices that are reasonably comparable to the POI to cover the market or markets no longer covered by the POI. If we select an alternative source or sources, we will disclose the new source for calculating the HPA Amount on the "For Investors" page of our corporate website and in a Current Report on

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Form 8-K filed with the SEC. If a suitable public alternative source or sources is not available, we will, at our option, either redeem or convert the Series A Participating Preferred Shares within 135 days after the date that the POI was last published, as described in "Redemption upon Absence of Suitable Indices Event" (in the case of a redemption) or as described in "Conversion Rights upon an Absence of Suitable Indices Event" (in the case of a conversion).

The following table sets forth, for each of our top 20 markets, the actual POI Value as of June 30, 2013, and the date from which the HPA was measured for purposes of calculating the HPA Amount. The table also sets forth the calculations performed in order to assign a baseline value of 100.0 for all markets as of June 30, 2013 for purposes of calculating the change in HPA for such markets relative to such date.

Market	Relative Weighting Applied in Determining HPA(1)	Actual POI Value as of Jun 30, 2013(2)	Multiplier Applied to Establish Baseline Value(3)	Assigned Baseline Value(4)
Dallas-Fort Worth, TX(5)	9.507%	187.5	0.533	100.0
Indianapolis, IN	8.880%	164.5	0.608	100.0
Greater Chicago Area, IL and IN(6)	7.679%	182.2	0.549	100.0
Atlanta, GA	7.545%	174.2	0.574	100.0
Nashville, TN	6.390%	230.7	0.433	100.0
Houston, TX	6.312%	241.2	0.415	100.0
Cincinnati, OH	6.119%	166.3	0.601	100.0
Salt Lake City, UT	5.495%	323.9	0.309	100.0
Tampa, FL	5.361%	209.6	0.477	100.0
Charlotte, NC	5.354%	186.8	0.535	100.0
Phoenix, AZ	5.270%	232.5	0.430	100.0
Jacksonville, FL	4.776%	211.7	0.472	100.0
Las Vegas, NV	4.371%	133.3	0.750	100.0
Raleigh, NC	4.040%	197.1	0.507	100.0
Columbus, OH	3.167%	178.9	0.559	100.0
Orlando, FL	3.036%	180.0	0.556	100.0
Tucson, AZ	1.867%	206.7	0.484	100.0
Greensboro, NC	1.789%	161.0	0.621	100.0
Austin, TX	1.550%	316.1	0.316	100.0
San Antonio, TX	1.490%	226.5	0.442	100.0

- (1) Based on estimated total investment in each market as of July 31, 2013. These were the weighting factors for measurement of HPA.
- (2) Represents the values as published in the POI for each market as of October 18, 2013. Such values are subject to revision by the FHFA in subsequent POI releases.
- (3) In order to index the POI Value for each market as of June 30, 2013, which was the date from which the cumulative change in HPA was measured for purposes of calculating the HPA Amount, the POI Value for each market as of such date was assigned a baseline index value of 100.0 by multiplying each by the multiplier indicated in the table above. The multipliers set forth above are presented solely for the purpose of indicating the numerical relationship between the actual POI Value for each of the markets and the indexed baseline value of 100.0 for such markets. The multipliers remain constant throughout the term of the Series A Participating Preferred Shares.
- (4) Equals the product of the actual POI Value for each market as of June 30, 2013, multiplied by the baseline multiplier for each market.

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- (5) Our Dallas-Fort Worth, TX market is comprised of the Dallas-Plano-Irving and Fort Worth-Arlington Metropolitan Divisions, with each division given equal weighting for purposes determining HPA.
- (6) The home price index for the Greater Chicago Area, IL and IN market is Chicago-Naperville-Arlington Heights, IL.

### ***HPA Amount Cap***

Until September 30, 2020, the amount payable upon any conversion, redemption or liquidation event is subject to a cap, such that the total internal rate of return, when considering the initial liquidation preference, plus the HPA Amount (if positive), plus all dividends (whether paid or accrued) to, but excluding, the date of such redemption, conversion or final distribution to holders in respect of a Liquidation Event, shall not exceed 9%. On September 30, 2020, the HPA Amount will become fixed and cease to accrue and the dividend yield will increase to 10.000% per annum on the liquidation preference plus the HPA Amount.

### ***Redemption***

#### *Redemption at Our Option*

We may not redeem the Series A Participating Preferred Shares before September 30, 2017, except in limited circumstances relating to maintaining our qualification as a REIT, as described below in " Restrictions on Ownership and Transfer" and pursuant to the special optional redemption provisions upon a change in control that are specified below.

Any time after September 30, 2017 but before September 30, 2020, we may redeem for cash all but not less than all of the Series A Participating Preferred Shares at a redemption price per Series A Participating Preferred Share equal to the Final Liquidation Preference.

At any time after September 30, 2020, we may redeem for cash all but not less than all of the Series A Participating Preferred Shares at a redemption price per share equal to the initial liquidation preference, plus the HPA Amount (if positive) calculated with respect to the period ended June 30, 2020 (if the HPA Amount for such period is a positive number), plus any accrued but unpaid dividends. The initial liquidation preference of \$25.00 plus the HPA Amount calculated with respect to the period ended June 30, 2020, is referred to as the Adjusted Value.

There is no restriction on our ability to redeem Series A Participating Preferred Shares while dividends are in arrearage.

#### *Special Redemption Option upon a Change of Control*

Upon the occurrence of a Change of Control (as defined below), we may redeem for cash all but not less than all of the Series A Participating Preferred Shares within 120 days after the date on which such Change of Control occurred, by paying the Final Liquidation Preference. If, prior to the Change of Control Conversion Date (as defined below under the caption " Conversion Rights Conversion upon a Change in Control"), we have provided or provide notice of redemption with respect to the Series A Participating Preferred Shares (whether pursuant to our optional redemption right, our special redemption option or pursuant to the right described under " Redemption upon an Absence of Suitable Indices Event"), the holders of Series A Participating Preferred Shares will not be permitted to exercise the conversion right described below under " Conversion Rights Conversion upon a Change of Control."

We will mail to you, if you are a record holder of the Series A Participating Preferred Shares, a notice of redemption no fewer than 30 days nor more than 60 days before the redemption date. We will send the notice to your address shown on our transfer books. A failure to give notice of

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redemption or any defect in the notice or in its mailing will not affect the validity of the redemption of any Series A Participating Preferred Shares except as to the holder to whom notice was defective. Each notice will state the following:

the redemption date;

the special redemption price;

a statement setting forth the calculation of such special redemption price;

the number of Series A Participating Preferred Shares to be redeemed;

the place or places where the certificates, if any, representing Series A Participating Preferred Shares are to be surrendered for payment of the redemption price;

procedures for surrendering noncertificated Series A Participating Preferred Shares for payment of the redemption price;

that dividends on the Series A Participating Preferred Shares to be redeemed will cease to accrue on such redemption date unless we fail to pay the redemption price on such date;

that payment of the redemption price and any accrued and unpaid dividends will be made upon presentation and surrender of such Series A Participating Preferred Shares;

that the Series A Participating Preferred Shares are being redeemed pursuant to our special redemption option right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control; and

that the holders of the Series A Participating Preferred Shares to which the notice relates will not be able to tender such Series A Participating Preferred Shares for conversion in connection with the Change of Control and each Series A Participating Preferred Share tendered for conversion that is selected, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

A "Change of Control" means, after the initial issuance of the Series A Participating Preferred Shares, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of securities of the Company entitling that person to exercise more than 50% of the total voting power of all shares of beneficial interest of the Company entitled to vote generally in the election of our trustees (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the

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NYSE MKT or the NASDAQ Stock Market, or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

### *Redemption upon an Absence of Suitable Indices Event*

If, following an Absence of Suitable Indices Event, we do not convert all of the outstanding Series A Participating Preferred Shares in accordance with the provisions described under " Conversion Rights Conversion upon an Absence of Suitable Indices Event," then we will redeem



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all of the Series A Participating Preferred Shares for cash at a redemption price equal to the Final Liquidation Preference.

### **Conversion Rights**

#### *Conversion at Our Option*

At any time after September 30, 2017, we may convert all but not less than all of the Series A Participating Preferred Shares into our Class A common shares. The conversion ratio for such one-time conversion will be determined by a formula and cannot be determined until the conversion date.

If such one-time conversion occurs after September 30, 2017 but before September 30, 2020, the formula for determining the conversion ratio per Series A Participating Preferred Share will be the sum of (i) the initial liquidation preference, (ii) the HPA Amount for the relevant period (if the HPA Amount for such period is a positive number) and (iii) any accrued and unpaid dividends to, but excluding, the fourth business day following the notice of conversion, divided by the one-day volume-weighted average price of our Class A common shares on the NYSE, or VWAP, as reported by Bloomberg, if available, on the day the notice of conversion is issued.

If such one-time conversion occurs on or after September 30, 2020, the formula for determining the conversion ratio will be (i) the Adjusted Value, plus any accrued and unpaid dividends to, but not including, the conversion date, divided by (ii) the VWAP as reported by Bloomberg on the date the notice of conversion is issued.

If a VWAP is not available on Bloomberg Business News or a similar publication, then the volume weighted average of the high and low trading prices of the Class A common shares on the NYSE (or, if not listed on the NYSE, such other domestic securities exchange as the Class A common shares may be listed or traded) calculated using the high and low prices (volume weighted) as reported on Bloomberg Business News or a similar publication on the date the notice of conversion is issued shall be used in place of VWAP for all purposes hereunder.

#### *Conversion upon a Change of Control*

Upon the occurrence of a Change of Control, each holder of Series A Participating Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date (as defined below), we have provided or provide notice of our election to redeem the Series A Participating Preferred Shares as described above under "Redemption Special Redemption Option upon a Change of Control") to convert some or all of the Series A Participating Preferred Shares held by such holder, or the Change of Control Conversion Right, on the Change of Control Conversion Date into a number of our Class A common shares per share of Series A Participating Preferred Shares to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of (x) the initial liquidation preference, plus (y) the HPA Amount for the relevant period (if the HPA Amount for such period is a positive number), plus (z) any accrued and unpaid dividends (whether or not declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series A Participating Preferred Shares dividend payment for which dividends have been declared and prior to the corresponding Series A Participating Preferred Shares dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) and such declared dividend will instead be paid, on such dividend payment date, to the holder of record of the Series A Participating Preferred Shares; and

3.16 (i.e., the Share Cap), subject to certain adjustments;

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subject, in each case, to provisions for the receipt of alternative consideration as described in this prospectus.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common shares), subdivisions or combinations (in each case, a "Share Split") with respect to our common shares as follows: the adjusted Share Cap as the result of a Share Split will be the number of common shares that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of common shares outstanding after giving effect to such Share Split and the denominator of which is the number of our common shares outstanding immediately prior to such Share Split.

In the case of a Change of Control pursuant to which our common shares will be converted into cash, securities or other property or assets (including any combination thereof), or the Alternative Form Consideration, a holder of Series A Participating Preferred Shares will receive upon conversion of such Series A Participating Preferred Shares the kind and amount of Alternative Form Consideration that such holder would have owned or to which that holder would have been entitled to receive upon the Change of Control had such holder held a number of shares of our common shares equal to the Common Share Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration," and the Common Share Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, is referred to as the "Conversion Consideration").

If the holders of our common shares have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration will be deemed to be the kind and amount of consideration actually received by holders of a majority of our common shares that voted for such an election (if electing between two types of consideration) or holders of a plurality of our common shares that voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of our common shares are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the Change of Control.

Within 15 days following the occurrence of a Change of Control, we will provide to holders of Series A Participating Preferred Shares a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. This notice will state the following:

the events constituting the Change of Control;

the date of the Change of Control;

the last date and time by which the holders of Series A Participating Preferred Shares may exercise their Change of Control Conversion Right;

the method and period for calculating the Class A Share Price;

the Change of Control Conversion Date;

that if, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem all or any portion of the Series A Participating Preferred Shares, holders will not be able to convert Series A Participating Preferred Shares designated for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;

if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per Series A Participating Preferred Share;

the name and address of the paying agent and the conversion agent; and



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the procedures that the holders of Series A Participating Preferred Shares must follow to exercise the Change of Control Conversion Right.

We will issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post a notice on our website, in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of Series A Participating Preferred Shares.

To exercise the Change of Control Conversion Right, the holders of Series A Participating Preferred Shares will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) or book entries representing Series A Participating Preferred Shares to be converted, duly endorsed for transfer (if certificates are delivered), together with a completed written conversion notice to our transfer agent. The conversion notice must state:

the relevant Change of Control Conversion Date;

the number of Series A Participating Preferred Shares to be converted; and

that the Series A Participating Preferred Shares are to be converted pursuant to the Change of Control Conversion Right Series A Participating Preferred Shares.

The "Change of Control Conversion Date" is the date on which the Series A Participating Preferred Shares are to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series A Participating Preferred Shares.

The "Class A Share Price" will be (i) if the consideration to be received in the Change of Control by the holders of our Class A common shares is solely cash, the amount of cash consideration per Class A common share or (ii) if the consideration to be received in the Change of Control by holders of our Class A common shares is other than solely cash (x) the average of the closing sale prices per share of our Class A common shares (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) for the 10 consecutive trading days immediately preceding, but not including, the effective date of the Change of Control as reported on the principal U.S. securities exchange on which our Class A common shares are then traded, or (y) the average of the last quoted bid prices for our Class A common shares in the over-the-counter market as reported by OTC Markets Group, Inc. or similar organization for the 10 consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if our Class A common shares are not then listed for trading on a U.S. securities exchange.

#### *Conversion upon an Absence of Suitable Indices Event*

If, following an Absence of Suitable Indices Event, we do not redeem all of the outstanding Series A Participating Preferred Shares in accordance with the provisions described under "Redemption Redemption upon an Absence of Suitable Indices Event," then we will convert all of the Series A Participating Preferred Shares into Class A common shares, at a conversion ratio per Series A Participating Preferred Share equal to the sum of (i) the initial liquidation preference, (ii) the HPA Amount for the relevant period (if the HPA Amount for such period is a positive number) and (iii) any accrued and unpaid dividends to, but excluding, the fourth business day following the notice of conversion, divided by the VWAP, as reported by Bloomberg, if available, on the day the notice of conversion is issued.

If a VWAP is not available on Bloomberg Business News or a similar publication, then the volume weighted average of the high and low trading prices of our Class A common shares on the NYSE (or,

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if not listed on the NYSE, such other domestic securities exchange as our Class A common shares may be listed or traded) calculated using the high and low prices (volume weighted) as reported on Bloomberg Business News or a similar publication on the date the notice of conversion is issued shall be used in place of VWAP for all purposes hereunder.

*Fractional Shares; Delivery of Class A Common Shares*

Upon conversion of the Series A Participating Preferred Shares, whether pursuant to the rights described under " Conversion at Our Option," " Conversion upon a Change of Control" or " Conversion upon an Absence of Suitable Indices Event," we will deliver the Class A common shares due upon conversion as soon as practicable on or after, but in no event later than the fourth business day after, the conversion date or Change of Control Conversion Date, as applicable. However, on the conversion date or Change of Control Conversion Date, as applicable, the holder to whom the Class A common shares due upon conversion are to be issued will be deemed to be a holder of record of such Class A common shares.

We will not issue fractional Class A common shares upon the conversion of the Series A Participating Preferred Shares. Instead, we will pay the cash value of any fractional share otherwise due, computed on the basis of the applicable per share VWAP for a conversion at our option or the Class A Share Price for a conversion upon the occurrence of a Change of Control, as applicable.

*Listing*

Our Series A Participating Preferred Shares are listed on the NYSE under the symbol "AMHPRA."

**Series B Participating Preferred Shares**

The following description of certain terms and conditions of our Series B Participating Preferred Shares does not purport to be complete and is in all respects subject to, and qualified in its entirety by reference to our declaration of trust, including the Articles Supplementary setting forth the terms of our Series B Participating Preferred Shares, our bylaws and Maryland law. Our declaration of trust, including the Articles Supplementary for our Series B Participating Preferred Shares, and our bylaws are incorporated by reference into this prospectus from our SEC filings. The terms and provisions of our Series B Participating Preferred Shares are substantially the same as those of our Series A Participating Preferred Shares as described in " Description of Series A Participating Preferred Shares" above, except that the original issue date for the Series B Participating Preferred Shares was December 20, 2013, and the first dividend on the Series B Participating Preferred Shares was paid on March 31, 2014 to holders of record as of March 15, 2014. Our Series B Participating Preferred Shares are listed on the NYSE under the symbol "AMHPRB."

**Series C Participating Preferred Shares**

See "Description of Series C Participating Preferred Shares" for a summary of certain terms and provisions of our Series C Participating Preferred Shares.

**Power to Reclassify and Issue Shares**

Our board of trustees may classify any unissued preferred shares, and reclassify any unissued common shares or any previously classified but unissued preferred shares into other classes or series of shares, including one or more classes or series of shares that have priority over our common shares with respect to voting rights or distributions or upon liquidation, and authorize us to issue the newly classified shares. Prior to the issuance of shares of each class or series, our board of trustees is required by Title 8 and our declaration of trust to set, subject to the provisions of our declaration of trust regarding the restrictions on ownership and transfer of our shares, the preferences, conversion or other

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rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each such class or series. These actions can be taken without shareholder approval, unless shareholder approval is required by applicable law, the terms of any other class or series of our shares or the rules of any stock exchange or automated quotation system on which our shares may be then listed or quoted.

**Conversion of Class B Common Shares**

Certain holders of Class B common shares will own the OP units in our operating partnership. In the event a holder of Class B common shares transfers its OP units to a transferee, other than a "qualified transferee," which includes family members and affiliates of or other entities controlled by such holder, then one Class B common share held by such holder automatically converts into one Class A common share for every 49 OP units transferred by the holder. If the holder of Class B common shares transfers any OP units to a qualified trustee, and then such qualified trustee in turn transfers the same OP units to another qualified trustee of the original transferor, then one Class B common share held by the first qualified transferee will automatically convert into one Class A common share for every 49 OP units transferred by the first qualified transferee. In such case, if the first qualified transferee does not own a sufficient number of Class B common shares, then the initial transferor will be responsible for the deficiency in Class B common shares, and a number of Class A common shares equal to such deficiency held by the initial transferor (or, if the initial transferor does not now own sufficient Class B common shares, then one or more other qualified transferees of such initial transferor) will automatically convert into one Class A common share for every 49 OP units. Notwithstanding the foregoing, any Class B common shares transferred to a transferee other than a qualified transferee will automatically convert into an equal number of Class A common shares.

**Power to Increase or Decrease Authorized Shares and Issue Additional Shares of Our Common and Preferred Shares**

Our declaration of trust authorizes our board of trustees, with the approval of a majority of the entire board, to amend our declaration of trust to increase or decrease the aggregate number of authorized shares or the number of authorized shares of any class or series without shareholder approval. We believe that the power of our board of trustees to increase or decrease the number of authorized shares and to classify or reclassify unissued common shares or preferred shares and thereafter to cause us to issue such shares will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs which might arise. The additional classes or series, as well as the additional shares, will be available for issuance without further action by our shareholders, unless such action is required by applicable law, the terms of any other class or series of shares or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although our board of trustees does not intend to do so, it could authorize us to issue a class or series that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for our shareholders or otherwise be in their best interests.

**Restrictions on Ownership and Transfer**

In order to qualify as a REIT under the Code, our shares must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to be a REIT has been made) or during a proportionate part of a shorter taxable year.

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Due to limitations on the concentration of ownership of REIT shares imposed by the Code, subject to certain exceptions, our declaration of trust provides that:

no person may beneficially own more than 8.0% (in value or in number of shares, whichever is more restrictive) of the outstanding common shares, other than an "excepted holder" and a "designated investment entity";

no "excepted holder," which refers to certain members of the Hughes family, certain trusts established for the benefit of members of the Hughes family, certain related entities, as well as persons whose ownership of shares would cause members of the Hughes family to be deemed to own shares pursuant to application attribution rules under the Code, may own directly or indirectly common shares if, under the applicable tax attribution rules of the Code, (i) any single excepted holder who is treated as an individual would beneficially own more than 17.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares; (ii) any two excepted holders treated as individuals would beneficially own more than 25.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares; (iii) any three excepted holders treated as individuals would beneficially own more than 33.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares; (iv) any four excepted holders treated as individuals would beneficially own more than 41.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares; or (v) any five excepted holders treated as individuals would beneficially own more than 49.9% (in value or number, whichever is more restrictive) of any class or series of the outstanding common shares;

no "designated investment entity," which refers to certain pension trusts, regulated investment companies and qualified investment managers may own no more than 9.9% (in value or in number of shares, whichever is more restrictive) of the outstanding common shares; and

no person may beneficially own more than 9.9% (in value or in number of shares, whichever is more restrictive) of any class or series of outstanding preferred shares.

Our declaration of trust defines a "designated investment entity" as:

an entity that is a pension trust that qualifies for look-through treatment under Section 856(h) of the Code;

an entity that qualifies as a regulated investment company under Section 851 of the Code; or

an entity (referred to in our declaration of trust as a "qualified investment manager") that (i) for compensation engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing or selling securities; (ii) purchases securities in the ordinary course of its business and not with the purpose or effect of changing or influencing control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) of the Securities Exchange Act of 1934, as amended; and (iii) has or shares voting power and investment power under the Securities Exchange Act of 1934, as amended; so long as each beneficial owner of such entity, or in the case of a qualified investment manager holding shares solely for the benefit of its customers, each such customer, would satisfy the ownership limit described above, if such beneficial owner owned directly its proportionate share of the common shares that are held by such designated investment entity.

Our declaration of trust also prohibits any person from, among other matters:

beneficially owning equity shares if such ownership would result in our being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a year);





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transferring equity shares if such transfer would result in our equity shares being owned by less than 100 persons, effective beginning on the date on which we first have 100 shareholders; and

beneficially owning equity shares if such beneficial ownership would otherwise cause us to fail to qualify as a REIT under the Code.

Our board of trustees may exempt a person from the 8.0% common share ownership limit, the 9.9% preferred share ownership limit, or the 9.9% designated investment entity limit, if such Person submits to the board of trustees information satisfactory to the board of trustees, in its sole and absolute discretion:

demonstrating that such person is not an individual for purposes of Section 542(a)(2) of the Code (determined taking into account Section 856(h)(3)(A) of the Code); and

relevant to demonstrating that no person who is an individual for purposes of Section 542(a)(2) of the Code (determined taking into account Section 856(h)(3)(A) of the Code) would be considered to beneficially own equity shares in excess of the common share ownership limit, the preferred share ownership limit, the excepted holder limit, or the designated investment entity limit, as applicable, by reason of such person's ownership of equity shares in excess of the common share ownership limit, the preferred share ownership limit, or the designated investment entity limit, as the case may be, pursuant to an exemption granted under the declaration of trust.

Prior to granting an exemption, our board of trustees, in its sole and absolute discretion, may require a ruling from the IRS or an opinion of counsel, in either case in form and substance satisfactory to our board of trustees, in its sole and absolute discretion as it may deem necessary or advisable in order to determine or ensure our status as a REIT. Notwithstanding the receipt of any ruling or opinion, our board of trustees may impose such conditions or restrictions as it deems appropriate in connection with granting such exception; provided, however, that our board of trustees will not be obligated to require obtaining a favorable ruling or opinion in order to grant an exemption hereunder.

Our declaration of trust also provides that any ownership or purported transfer of our shares (whether or not such transfer is the result of a transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system) in violation of the foregoing restrictions will result in the shares owned or transferred in such violation being automatically transferred to one or more charitable trusts for the benefit of a charitable beneficiary and the purported owner or transferee acquiring no rights in such shares, except that any transfer that results in the violation of the restriction relating to our equity shares being beneficially owned by fewer than 100 persons will be void *ab initio*. In either case, the proposed transferee will not acquire any rights in those shares. The automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of the purported transfer or other event that results in the transfer to the trust. Shares held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares held in the trust, will have no rights to dividends or other distributions and will have no rights to vote or other rights attributable to the shares held in the trust. The trustee of the trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary. Any dividend or other distribution paid prior to our discovery that shares have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or other distribution paid to the trustee will be held in trust for the charitable beneficiary. Subject to Maryland law, the trustee will have the authority (i) to rescind as void any vote cast by the proposed transferee prior to our discovery that the shares have been transferred to the trust and (ii) to recast the vote in accordance with the desires of the trustee acting for the benefit of the

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charitable beneficiary. However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days of receiving notice from us that our shares have been transferred to the trust, the trustee will sell the shares to a person, designated by the trustee, whose ownership of the shares will not violate the above ownership and transfer limitations. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiary as follows. The proposed transferee will receive the lesser of (i) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust (e.g., a gift, devise or other similar transaction), the market price (as defined in our declaration of trust) of the shares on the day of the event causing the shares to be held in the trust and (ii) the price per share received by the trustee (net of any commission and other expenses of sale) from the sale or other disposition of the shares. The trustee may reduce the amount payable to the proposed transferee by the amount of dividends and other distributions that have been paid to the proposed transferee and are owed by the proposed transferee to the trustee. Any net sale proceeds in excess of the amount payable to the proposed transferee will be paid immediately to the charitable beneficiary. If, prior to our discovery that our shares have been transferred to the trust, the shares are sold by the proposed transferee, then (i) the shares shall be deemed to have been sold on behalf of the trust and (ii) to the extent that the proposed transferee received an amount for the shares that exceeds the amount he or she was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, shares held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in the transfer to the trust (or, in the case of a devise or gift, the market price at the time of the devise or gift) and (ii) the market price on the date we, or our designee, accept the offer, which we may reduce by the amount of dividends and distributions that have been paid to the proposed transferee and are owed by the proposed transferee to the trustee. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee.

If a transfer to a charitable trust, as described above, would be ineffective for any reason to prevent a violation of the restriction, the transfer that would have resulted in such violation will be void *ab initio*, and the proposed transferee shall acquire no rights in those shares.

Any certificate representing our equity shares, and any notices delivered in lieu of certificates with respect to the issuance or transfer of uncertificated shares, will bear a legend referring to the restrictions described above. We do not expect to issue certificates representing our equity shares.

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of our equity shares that will or may violate any of the foregoing restrictions on ownership and transfer, or any person who would have owned our equity shares that resulted in a transfer of shares to a charitable trust, is required to give written notice immediately to us, or in the case of a proposed or attempted transaction, to give at least 15 days' prior written notice, and provide us with such other information as we may request in order to determine the effect of the transfer on our status as a REIT. The foregoing restrictions on ownership and transfer will not apply if our board of trustees determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Every owner of more than 5% (or any lower percentage as required by the Code or the regulations promulgated thereunder) in number or value of the outstanding equity shares, within 30 days after the end of each taxable year, is required to give us written notice, stating his or her name and address, the number of shares of each class and series of our equity shares that he or she beneficially owns and a description of the manner in which the shares are held. Each of these owners

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must provide us with additional information that we may request in order to determine the effect, if any, of his or her beneficial ownership on our status as a REIT and to ensure compliance with the ownership limits. In addition, each shareholder will upon demand be required to provide us with information that we may request in good faith in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine our compliance.

These ownership limitations could delay, defer or prevent a transaction or a change in control that might involve a premium price for our common shares or otherwise be in the best interest of our shareholders.

## **Transfer Agent and Registrar**

We have retained American Stock Transfer & Trust Company, LLC as the transfer agent and registrar for our common shares and our Series A, Series B and Series C Participating Preferred Shares.

## **Registration Rights**

We entered into registration rights agreements with the purchasers of our Class A common shares in our November 2012 initial private placement and our March 2013 follow-on private placement.

Under the registration rights agreements, we agreed, at our expense, to use our commercially reasonable efforts to file with the SEC as soon as reasonably practicable but in no event later than November 21, 2013 (unless otherwise extended upon approval by our board of trustees, in which case we could have deferred such filing until not later than May 20, 2014) a shelf registration statement registering for resale the registrable shares (as defined in the registration rights agreements) plus any additional Class A common shares issued in respect thereof whether by share dividend, share distribution, share split, or otherwise. We refer to this registration statement as the "resale shelf registration statement." We were obligated to use our commercially reasonable efforts to cause the resale shelf registration statement to be declared effective by the SEC as soon as practicable after the filing of the resale shelf registration statement, and in any event, subject to certain exceptions, no later than 180 days after the initial filing of the resale shelf registration statement. We filed the resale shelf registration statement with the SEC (File No. 333-191173) on September 13, 2013, and the SEC declared the resale shelf registration statement effective on October 1, 2013.

In connection with the Management Internalization, we entered into a registration rights agreement with AH LLC providing for registration rights exercisable after December 10, 2015. After June 10, 2015, if we are eligible to file a shelf registration statement under the Securities Act, AH LLC will have the right to request that we file and maintain a shelf registration statement to register for resale the Class A common shares and securities convertible into Class A common shares that are held by AH LLC. In addition, AH LLC has the right to request that we cooperate with AH LLC in up to three underwritten offerings of our Class A common shares under the shelf registration statement, provided such right may not be invoked more often than once every six months (subject to suspension rights in favor of our company) and each such underwritten offering generally must yield gross proceeds to AH LLC of not less than \$100 million per offering. After December 10, 2015, AH LLC has unlimited "piggyback" registration rights to include the Class A common shares and securities convertible into Class A common shares that AH LLC owns in other registration statements that we may initiate, subject to certain conditions and limitations (including cut-back rights in favor of our company). Under the registration rights agreement, we pay all expenses relating to registrations, and AH LLC pays all underwriting discounts and commissions relating to the sale of its Class A common shares. The registration rights agreement contains other customary terms, including for indemnification. The registration rights agreement will terminate when AH LLC may freely sell its Class A common shares pursuant to Rule 144 under the Securities Act. In July 2013, the registration rights agreement

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was subsequently amended to provide for the registration of any Class A common shares beneficially owned by AH LLC at any time during the term of the agreement.

In connection with our operating partnership's acquisition of the Alaska Joint Venture on June 11, 2013, or the Alaska Joint Venture Acquisition, we entered into a registration rights agreement with APFC. Under the terms of such agreement, after we become eligible to file a shelf registration statement, APFC has a right to request that we file and maintain a shelf registration statement with the SEC to register for resale the Class A common shares acquired by APFC in connection with the Alaska Joint Venture Acquisition and the right to request that we cooperate with APFC in up to three underwritten offerings of our Class A common shares under the shelf registration statement. Beginning February 2, 2014, APFC has unlimited "piggyback" registration rights to include the Class A common shares that APFC acquired through the Alaska Joint Venture Acquisition in other registration statements that we may initiate, subject to certain conditions and limitations.

The preceding summary of certain provisions of the registration rights agreements is not intended to be complete, and is subject to, and qualified in its entirety by reference to, all of the provisions of the registration rights agreements.

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**OPERATING PARTNERSHIP AND THE PARTNERSHIP AGREEMENT**

The following summary of the terms of the agreement of limited partnership of our operating partnership does not purport to be complete and is subject to and qualified in its entirety by reference to the Agreement of Limited Partnership of American Homes 4 Rent, L.P., as amended. See "Where You Can Find More Information."

**General**

American Homes 4 Rent, L.P., our operating partnership, was formed on October 22, 2012 to acquire, own and operate our assets. We conduct substantially all of our business through our operating partnership and its subsidiaries, and we are liable for its obligations.

Our operating partnership is structured to make distributions with respect to OP units that are equivalent to the distributions made to our common shareholders. The partnership agreement permits limited partners in our operating partnership to redeem their OP units for cash or, at our election, our common shares on a one-for-one basis (in a taxable transaction) beginning one year after the date of issuance, which enables limited partners, if our shares are then listed, to achieve liquidity for their investment.

We are the sole general partner of our operating partnership, and, prior to the completion of this offering and the concurrent private placement, we own approximately 78% of the OP units in our operating partnership. Except as otherwise expressly provided in the partnership agreement, included as described below under "Partnership Approval for Transfers, Mergers, Sales of Assets," we, as the sole general partner, have the exclusive power to manage and conduct the business of our operating partnership. The limited partners of our operating partnership have no authority in their capacity as limited partners to transact business for, or participate in the management activities or decisions of, our operating partnership except as required by applicable law. Consequently, we, as general partner, have full power and authority to do all things we deem necessary or desirable to conduct the business of our operating partnership, as described below. The limited partners have no power to remove us as general partner.

**Capital Contributions**

We will transfer substantially all of the net proceeds of this offering and the concurrent private placement to our operating partnership as a capital contribution in the amount of the gross offering proceeds received from investors, and we will receive a number of Series C participating preferred operating partnership units equal to the number of Series C Participating Preferred Shares issued to investors. Our operating partnership will be deemed to have simultaneously paid the selling commissions and other costs associated with this offering. If our operating partnership requires additional funds at any time in excess of capital contributions made by us or from borrowing, we may borrow funds from a financial institution or other lender and lend such funds to our operating partnership on the same terms and conditions as are applicable to our borrowing of such funds. In addition, we are authorized to cause our operating partnership to issue OP units for less than fair market value if we conclude in good faith that such issuance is in the best interest of our operating partnership and our shareholders.

**Operations**

The partnership agreement requires that our operating partnership be operated in a manner that will enable us to (1) satisfy the requirements for classification as a REIT for U.S. federal income tax purposes, (2) avoid any U.S. federal income or excise tax liability and (3) ensure that our operating partnership will not be classified as a "publicly traded partnership" for purposes of Section 7704 of the Code, which classification could result in our operating partnership being taxed as a corporation, rather than as a partnership.

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**Distributions**

The partnership agreement requires that our operating partnership distribute available cash to its partners on at least a quarterly basis in accordance with their relative percentage interests or specified preferences, if any.

Available cash is all cash revenues and funds received plus any reduction in reserves and minus interest and principal payments on debt, all cash expenditures (including capital expenditures) made by our operating partnership during such period, investments in any entity, any additions to reserves and other adjustments, as determined by us in our sole and absolute discretion. Distributions will be made in a manner such that a holder of one OP unit will receive the same amount of distributions from our operating partnership as the amount paid by us to a holder of one common share.

Unless we otherwise specifically agree in the partnership agreement or in an agreement entered into at the time a new class or series is created, no OP unit will be entitled to a distribution in preference to any other OP unit. A partner will not in any event receive a distribution of available cash with respect to an OP unit for a quarter or shorter period if the partner is entitled to receive a distribution out of that same available cash with respect to a share of our company for which that OP unit has been exchanged or redeemed.

Upon the liquidation of our operating partnership, after payment of debts and obligations, any remaining assets of our operating partnership will be distributed to the holders of the OP units that are entitled to any preference in distribution upon liquidation in accordance with the rights of any such class or series, and the balance, if any, will be distributed to the partners in accordance with their capital accounts, after giving effect to all contributions, distributions and allocations for all periods.

**Allocations of Net Income and Net Loss**

Net income and net loss of our operating partnership are determined and allocated with respect to each fiscal year of our operating partnership. Except as otherwise provided in the partnership agreement, an allocation of a share of net income or net loss is treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing net income or net loss. Except as otherwise provided in the partnership agreement, net income and net loss are allocated to reflect the distribution and liquidation preferences to certain holders of OP units, and then to the general partner and the other holders of the OP units in accordance with their respective percentage interests in the OP units at the end of each fiscal year. Upon the occurrence of certain specific events or a later issuance of additional LTIP units, our operating partnership will revalue its assets and any net increase in valuation will be allocated first to holders of LTIP units, if any, to equalize the capital accounts of such holders with the capital accounts of OP unit holders. The partnership agreement contains provisions for special allocations intended to comply with certain regulatory requirements, including the requirements of Treasury Regulations Sections 1.704-1(b), 1.704-2 and 1.752-3(a). See "Material U.S. Federal Income Tax Considerations."

**LTIP Units**

We may at any time cause our operating partnership to issue LTIP units to members of our senior management. These LTIP units will vest on such terms as determined by our Compensation Committee. In general, LTIP units are a special class of OP units in our operating partnership and will receive the same quarterly per unit profit distributions as the other outstanding OP units in our operating partnership. Initially, each LTIP unit will have a capital account of zero and, therefore, the holder of the LTIP unit would receive nothing if our operating partnership were liquidated immediately after the LTIP unit is awarded. However, the partnership agreement requires that "book gain" or economic appreciation in our assets realized by our operating partnership, whether as a result of an actual asset sale or upon the revaluation of our assets, as permitted by applicable Treasury Regulations,

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be allocated first to LTIP units until the capital account per LTIP unit is equal to the capital account per unit of our operating partnership. The applicable Treasury Regulations provide that assets of our operating partnership may be revalued upon specified events, including upon additional capital contributions by us or other partners of our operating partnership or a later issuance of additional LTIP units. Upon equalization of the capital account of the LTIP unit with the per unit capital account of the OP units and full vesting of the LTIP unit, the LTIP unit will be convertible into an OP unit at any time. There is a risk that a LTIP unit will never become convertible because of insufficient gain realization to equalize capital accounts and, therefore, the value that a holder will realize for a given number of vested LTIP units may be less than the value of an equal number of common shares.

**Series C Convertible Units**

Under the terms of the acquisition of 2,770 single-family homes that we purchased from AH LLC on February 28, 2013, or the AH LLC Portfolio, our operating partnership issued 31,085,974 Series C units, and we issued 634,408 of the Class B common shares (in the ratio of one Class B common share for each 49 Series C units), in each case based on a price per unit or share of \$15.50. Our operating partnership also issued 634,408 Class A units to us in consideration for the portion of the contributed assets as to which we are issuing Class B common shares. Holders of the Series C units will be entitled to distributions equal to the actual net cash flow of the properties in the AH LLC Portfolio up to a maximum of 3.9% per unit per year based on a price per unit of \$15.50, but will not be entitled to any distributions of income generated by any other properties or operations of our company or any liquidating distributions. Holders of Class A units, including our company and AH LLC, will be entitled to any net cash flow from the AH LLC Portfolio above the maximum yield on the Series C units, as well as distributions of all other cash available for distribution from our operating partnership. At any time, at the option of the holders, the Series C units may be converted into Class A units on the Conversion Date. If holders of the Series C units have not exercised their right to convert the Series C units into Class A units by the earlier of (i) the third anniversary of the date of original issuance of the Series C units or (ii) the date of commencement of the dissolution, liquidation or winding up of our operating partnership, then the Series C units will automatically convert into Class A units. Holders of Series C units will vote on all operating partnership matters with holders of Class A units. If the properties in the AH LLC Portfolio are initially leased for less than 98% of the scheduled rents used in the formula for the valuation of the properties (determined on an aggregate basis), the Series C Units will be converted on less than a one for one basis. Holders of Series C units will vote on all operating partnership matters with holders of Class A units.

In May 2013, as part of the Management Internalization and in order to facilitate and increase in borrowing capacity under our credit facility, the Series C units were amended to remove the previously existing restriction on sales, mortgages, pledges and financings of the AH LLC Portfolio. As a result, the properties in the AH LLC Portfolio are available as collateral for our financings before conversion of the Series C units, including in connection with our line of credit with Wells Fargo.

**Series D Convertible Units and Series E Convertible Units**

In connection with the Management Internalization, our operating partnership issued 4,375,000 Series D units and 4,375,000 Series E units to AH LLC in exchange for AH LLC's membership interest in our former manager and former property manager. The Series D units are convertible into Class A Units, and the Series E units are convertible into Series D units, or if the Series D units have previously converted into Class A units, into Class A units as described below.

The Series D units do not participate in any distributions for 30 months from the date of issuance, do not participate in liquidating distributions and do not have any voting rights. The Series D units are automatically convertible into Class A units on a one-for-one basis only after the later of (1) 30 months after the date of issuance and (2) the earlier of (i) the date on which adjusted funds from operations,

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or adjusted FFO, per class A common share aggregates \$0.80 or more over four consecutive quarters following the closing of the Management Internalization or (ii) the date on which the daily closing price of our Class A common shares on the NYSE averages \$18.00 or more for two consecutive quarters following the closing of the Management Internalization. After 30 months, the Series D units will participate in distributions (other than liquidating distributions) at a rate of 70% of the per unit distributions on the Class A units.

The Series E units do not participate in distributions and do not have any voting rights. The Series E units will automatically convert into Series D units, or if the Series D units have previously converted into Class A units, into Class A units, on February 29, 2016, based on the performance based earn-out formula described below.

The number of Series D units, or if the Series D units have previously converted into Class A units, Class A units, into which the Series E units will convert depends on the level of Pro Forma Annualized EBITDA Contribution (as described below). If, during the six-month period ending December 31, 2015, or the Measurement Period, Pro Forma Annualized EBITDA Contribution equals or exceeds \$28 million, the Series E units will convert into Series D units (or if the Series D units have previously converted into Class A units, into Class A units) on a one-for-one basis at February 29, 2016.

If, during the Measurement Period, the Pro Forma Annualized EBITDA Contribution is less than \$28 million, the Series E units will convert into that number of Series D units (or if the Series D units have previously converted into Class A units, into Class A units) determined by (1) dividing (A) Pro Forma Annualized EBITDA Contribution during the Measurement Period less \$14 million by (B) \$14 million and (2) multiplying that result by 4,375,000. Series E units which are not converted at the end of the Measurement Period, if any, will be cancelled. The performance threshold is structured to result in the conversion of Series E units into additional Series D units on a proportionate basis to the extent that the Pro Forma Annualized EBITDA Contribution (up to \$28 million) exceeds a base annual EBITDA contribution target of \$14 million.

Pro Forma Annualized EBITDA Contribution will be calculated for the Measurement Period as outlined below and multiplied by two to annualize the result. Pro Forma Annualized EBITDA Contribution equals:

- (1) pro forma asset revenue calculated for the Measurement Period based upon the terms of the advisory management agreement (excluding any acquisition and renovation fees), as amended, and as if such agreement had remained in effect for the Measurement Period and reflecting the absence of an asset management fee on the Alaska Joint Venture properties and any other Investment Vehicles (as described below) involving our company (for clarity purposes, the pro forma asset management fee shall reflect the \$9,800,000 reduction agreed to in connection with the contribution of properties by AH LLC to our company in February 2013); *plus*
- (2) pro forma fee revenue calculated for the Measurement Period based upon the terms of the property management agreement, as if such agreement had remained in effect for the Measurement Period and will include any actual property management fees paid to our company by any and all Investment Vehicles;

less all expenses of our company and our operating partnership (without duplication) except:

- (1) those expenses previously payable by our company or our operating partnership under our advisory management agreement;
- (2) those expenses previously payable by our operating partnership under our property management agreement;
- (3) interest expense;



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- (4) depreciation and amortization expenses;
- (5) taxes;
- (6) acquisition costs expensed;
- (7) charges for non-cash (stock based) incentive compensation paid pursuant to performance criteria established by our compensation committee; and
- (8) charges for non-cash changes to the carrying value of assets, liabilities and equity items.

For clarity purposes, the intent of the above computation is to include in Pro Forma Annualized EBITDA Contribution all revenue (and only such revenue) and all expenses (and only such expenses) that would be incurred by AH LLC if it operated our former manager and our former external manager and advisor, American Homes 4 Rent Advisor, LLC, a Delaware limited liability company previously wholly owned by AH LLC, that became wholly owned by us following the Management Internalization, or our former property manager, independently. However, those expenses related to acquisition and renovation activities that our company, our operating partnership or its affiliates incur by assuming the services of the acquisition and renovation group, including personnel and all other costs directly related to such services and functions shall not be deemed expenses for the computation of Pro Forma EBITDA Contribution.

Investment Vehicles means any partnership, limited liability company, or other entity formed for the purpose of raising capital from investors other than our company and its subsidiaries and investing such capital in the acquisition of single-family homes.

The following is an example of a computation of the conversion of the Series E units. If Pro Forma Annualized EBITDA Contribution during the six months ended December 31, 2015 is \$27 million, the 4,375,000 Series E units would convert into 4,062,500 Series D units determined as follows:

- (1) \$27 million *minus* \$14 million *equals* \$13 million.
- (2) \$13 million *divided by* \$14 million *equals* 0.9286.
- (3) 4,375,000 *multiplied by* 0.9286 *equals* 4,062,500.

### **Series C Participating Preferred Units**

In connection with the Company's issuance of Series C Participating Preferred Shares, our operating partnership will issue % Series C Participating Preferred Units, or Series C Participating Preferred Units, to the Company in exchange for the net proceeds from the public offering and concurrent private placement of the Series C Participating Preferred Shares. Holders of the Series C Participating Preferred Units will be entitled to distributions equal to: (i) from the date of original issue of any Series C Participating Preferred Units to but excluding March 31, 2021, % per annum on the initial liquidation preference per unit, and (ii) from and including March 31, 2021, 10.000% per annum on the initial liquidation preference per unit plus the HPA Amount, if any. For a discussion of "HPA Amount" see "Description of Series C Participating Preferred Shares Home Price Appreciation Amount." The designations, preferences and other rights of the Series C Participating Preferred Units are intended to be substantially similar to the designations, preferences and other rights (except voting rights) of the Series C Participating Preferred Shares (see "Description of Series C Participating Preferred Shares" for a discussion of the designations, preferences and other rights of the Series C Participating Preferred Shares).

Subject to certain limited exceptions after March 31, 2018, if and when the Company exercises its option to redeem the Series C Participating Preferred Shares (see "Redemption Redemption at Our Option" for a discussion of the Company's redemption option), the operating partnership will redeem



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all but not less than all of the Series C Participating Preferred Units (no partial redemptions are permitted), for cash, at a redemption price as determined by the formula set forth in the amendment to the partnership agreement designating the Series C Participating Preferred Units (such redemption right, "the "Regular Redemption Right").

After March 31, 2018, if and when the Company exercises its option to convert the Series C Participating Preferred Shares (see "Description of Series C Participating Preferred Shares Conversion Rights Conversion at Our Option" for a discussion of the Company's conversion option), the operating partnership will convert all (no partial conversions are permitted) of the Series C Participating Preferred Units into Class A Units in the operating partnership. The conversion ratio for such one-time conversion will be determined by a formula as set forth in the amendment designating the Series C Participating Preferred Units.

Upon the occurrence of a "Change of Control" (see "Description of Series C Participating Preferred Shares Redemption Special Redemption Option Upon a Change of Control"): (1) each holder of the Series C Participating Preferred Units shall have the right (the "Change of Control Conversion Right"), subject to the operating partnership's "Special Redemption Right" (as defined below), to convert some or all of the Series C Participating Preferred Units held by such holder on the relevant date (the "Change of Control Conversion Date") into a number of Class A Units per Series C Participating Preferred Unit. The conversion ratio for such Change of Control Conversion Right will be determined by a formula as set forth in the amendment to the partnership agreement designating the Series C Participating Preferred Units; and (2) if and when the Company exercises its special redemption option to redeem the Series C Participating Preferred Shares (see "Description of Series C Participating Preferred Shares Redemption Special Redemption Option upon a Change of Control" for a discussion of the Company's special redemption option), the operating partnership will redeem all but not less than all of the Series C Participating Preferred Units (no partial redemptions are permitted) at any time within 120 days after the date on which the Change of Control has occurred (the "Special Redemption Right"), for cash at a redemption price as determined by the formula set forth in the amendment to the partnership agreement designating the Series C Participating Preferred Units. If, prior to the Change of Control Conversion Date, the operating partnership exercises its Regular Redemption Right or Special Redemption Right in connection with a Change of Control, holders of the Series C Participating Preferred Units shall not be permitted to exercise their Change of Control Conversion Right.

**Series A and Series B Participating Preferred Units**

The terms and provisions of our Series A and Series B Participating Preferred Units are substantially the same as those of our Series C Participating Preferred Units, described in " Series C Participating Preferred Units," above except that:

the designations, preferences and other rights of the Series A and Series B Participating Preferred Units are intended to be substantially similar to the designations, preferences and other rights (except voting rights) of the Series A and Series B Participating Preferred Shares, respectively, (see "Description of Equity Shares Series A Participating Preferred Shares" and "Description of Equity Shares Series B Participating Preferred Shares" for a discussion of the designations, preferences and other rights of the Series A and Series B Participating Preferred Shares); and

the first distribution on the Series A Participating Preferred Units was paid on December 31, 2013 to holders of record as of December 15, 2013 and the first distribution on the Series B Participating Preferred Units was paid on March 31, 2014 to holders of record as of March 15, 2014.

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**Partnership Approval for Transfers, Mergers, Sales of Assets**

We, as general partner, may not transfer any of our units or other partnership interest, whether by sale, disposition, statutory merger or consolidation, liquidation or otherwise, unless:

Except as provided in the next succeeding paragraph, we receive Partnership Approval. Partnership Approval means approval obtained when the sum of the (1) the percentage interest of partners consenting to the transaction, plus (2) the product of (a) the percentage of the outstanding Class A units held by the general partner entity multiplied by (b) the percentage of the votes that were cast in favor of the transaction by the holders of the common shares of beneficial interest (or other comparable equity interest) of the general partner entity equals or exceeds the percentage required for the general partner entity's shareholders to approve the transaction;

the transferee is admitted as a general partner pursuant to the terms of the partnership agreement;

the transferee assumes, by operation of law or express agreement, all of the obligations of the general partner under the partnership agreement with respect to such transferred partnership interest; and

the transferee has executed such instruments as may be necessary to effectuate such admission and to confirm the agreement of such transferee to be bound by all the terms and provisions of the partnership agreement with respect to the partnership interest so acquired and the admission of such transferee as the general partner.

We may not merge, consolidate or otherwise combine our assets with another entity, or sell all or substantially all of our assets not in the ordinary course of our business, or reclassify, recapitalize or change the terms of our outstanding shares (other than in connection with a share split, reverse share split, share dividend, change in par value, increase in authorized shares, designation or issuance of new classes of equity securities or any event that does not require the approval of our shareholders, and in which case no Partnership Approval is required), unless:

Partnership Approval has been obtained with respect to such transaction, and in connection with such transaction all limited partners holding partnership units will receive, or will have the right to elect to receive, for each partnership unit, consideration that is equivalent to the greatest amount of cash, securities or other property received by a holder of one of our common shares; and, if such event occurs in connection with a purchase, tender or exchange offer, each holder of partnership units has the right to receive, or elect to receive, the greatest amount of cash, securities or other property that such holder of units would have received had it exercised its right to redemption pursuant to the partnership agreement and received our common shares in exchange for its units immediately before the expiration of the purchase, tender or exchange offer and had accepted the purchase, tender or exchange offer; or

substantially all of the assets of our operating partnership are to be owned by a surviving entity in which our limited partners holding partnership units will hold a percentage interest based on the relative fair market value of the net assets of our operating partnership and the other net assets of such entity, which interest will be on terms that are at least as favorable as the terms of the partnership units and will include a right to redeem interests in such entity for the consideration described in the preceding bullet, cash on similar terms as those with respect to the partnership units or, if common equity securities of the person controlling the surviving entity are publicly traded, such common equity securities.

We may not voluntarily withdraw as a general partner of our operating partnership without Partnership Approval. With certain limited exceptions, the limited partners may not transfer their

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interests in our operating partnership, in whole or in part, without our prior written consent, which consent may be withheld in our sole and absolute discretion. With respect to limited partners that are also holders of Class B common shares, with certain limited exceptions, the general partner may only prohibit a transfer of interests if it has not received a written legal opinion that such transfer would not require the filing of a registration statement or otherwise violate federal or state securities laws or regulations applicable to the partnership. We also have the right to prohibit transfers by limited partners under certain circumstances if it would have certain adverse tax consequences to us or our operating partnership.

Except with our consent to the admission of the transferee as a limited partner, no transferee has any rights by virtue of the transfer other than the rights of an assignee, and is not entitled to vote OP units in any matter presented to the limited partners for a vote. We, as general partner, have the right to consent to the admission of a transferee of the interest of a limited partner, which consent may be given or withheld by us in our sole and absolute discretion.

**Redemption Rights**

As a general rule, limited partners have the right to cause our operating partnership to redeem their OP units at any time beginning one year following the date of the issuance of the OP units held by any such limited partner. If we give the limited partners notice of our intention to make an extraordinary distribution of cash or property to our shareholders or effect a merger, a sale of all or substantially all of our assets, or any other similar extraordinary transaction, each limited partner may exercise its right to redeem its OP units, regardless of the length of time such limited partner has held its OP units.

Limited partners generally do not have redemption rights until one year following the date of the initial issuance of the OP units. After the one year period, the redemption amount per unit is based on the market value of our common shares at the time of redemption. If our shares are then traded on a stock exchange, the market value will be equal to the average of the closing trading price of our common shares for the 10 trading days before the day on which we received the redemption notice.

We have the right to elect to acquire the OP units being redeemed directly from a limited partner in exchange for either cash in the amount specified above or a number of our common shares equal to the number of OP units offered for redemption, adjusted as specified in the partnership agreement to take into account prior share dividends or any subdivisions or combinations of our common shares. As general partner, we have the sole discretion to elect whether the redemption right will be satisfied by us in cash or our common shares. No redemption or exchange can occur if delivery of common shares by us is prohibited either under the provisions of our declaration of trust or under applicable federal or state securities laws, in each case regardless of whether we would in fact elect to assume and satisfy the unit redemption right with shares.

**Partnership Expenses**

In addition to the administrative and operating costs and expenses incurred by our operating partnership, our operating partnership generally will pay all of our administrative costs and expenses, including but not limited to:

all expenses relating to our continuity of existence and our subsidiaries' operations;

all expenses relating to offerings and registration of securities;

all expenses associated with the preparation and filing of any of our periodic or other reports and communications under federal, state or local laws or regulations;

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all expenses associated with our compliance with laws, rules and regulations promulgated by any regulatory body; and

all of our other operating or administrative costs incurred in the ordinary course of business on behalf of our operating partnership.

These expenses, however, do not include any administrative and operating costs and expenses we incur that are attributable to residential properties that are owned by us directly (if any), rather than by our operating partnership or its subsidiaries.

**Issuance of Additional Partnership Interests**

We, as general partner, are authorized to cause our operating partnership to issue additional OP units or other partnership interests to its partners, including us and our affiliates, or other persons. These OP units may be issued in one or more classes or in one or more series of any class, with designations, preferences and relative, participating, optional or other special rights, powers and duties, including rights, powers and duties senior to one or more other classes of partnership interests (including OP units held by us), as determined by us in our sole and absolute discretion without the approval of any limited partner, subject to the limitations described below.

No OP unit or interest may be issued to us as general partner or limited partner unless:

our operating partnership issues OP units or other partnership interests in connection with the grant, award or issuance of shares or other equity interests in us having designations, preferences and other rights such that the economic interests attributable to the newly issued shares or other equity interests in us are substantially similar to the designations, preferences and other rights, except voting rights, of the OP units or other partnership interests issued to us, and we contribute to our operating partnership the proceeds from the issuance of the shares or other equity interests received by us;

we make an additional capital contribution to our operating partnership; or

our operating partnership issues the additional OP units or other partnership interests to all partners holding OP units or other partnership interests in the same class in proportion to their respective percentage interests in that class.

**Indemnification and Limitation of Liability**

The partnership agreement expressly limits our liability by providing that neither we, as the general partner of our operating partnership, nor any of our trustees or officers, will be liable or accountable in damages to our operating partnership, the limited partners or assignees for errors in judgment, mistakes of fact or law or for any act or omission if we, or such trustee or officer, acted in good faith. In addition, our operating partnership is required to indemnify us, and our officers, trustees, employees, agents and designees to the fullest extent permitted by applicable law from and against any and all claims arising from operations of our operating partnership, unless it is established that (1) the act or omission was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, (2) the indemnified party actually received an improper personal benefit in money, property or services or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful. Our operating partnership also must pay or reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification.

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**Amendment of Partnership Agreement**

Amendments to the partnership agreement may be proposed by us, as general partner, or by any limited partner holding partnership interests representing 25% or more of the percentage interests entitled to vote thereon. In general, the partnership agreement may be amended only with the approval of the general partner and the written consent of the partners holding partnership interests representing more than 50% of the percentage interests entitled to vote thereon. However, as general partner, we have the power, without the consent of the limited partners, to amend the partnership agreement as may be required:

to add to our obligations as general partner or surrender any right or power granted to us as general partner or any affiliate of ours for the benefit of the limited partners;

to reflect the admission, substitution, termination or withdrawal of partners in compliance with the partnership agreement;

to set forth the designations, rights, powers, duties and preferences of the holders of any additional partnership interests issued in accordance with the authority granted to us as general partner;

to reflect a change that does not adversely affect the limited partners in any material respect, or to cure any ambiguity, correct or supplement any provision in the partnership agreement not inconsistent with law or with other provisions of the partnership agreement, or make other changes with respect to matters arising under the partnership agreement that are not inconsistent with law or with the provisions of the partnership agreement;

to modify the manner in which capital accounts, or any debits or credits thereto, are computed;

to include provisions referenced in future U.S. federal income tax guidance relating to compensatory partnership interests issued and made effective after the date hereof or in connection with any elections that we determine are reasonably necessary in respect of such guidance; and

to satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a federal, state or local agency or contained in federal, state or local law.

The approval of a majority of the partnership interests held by limited partners other than us is necessary to amend provisions regarding, among other things:

the issuance of partnership interests in general and the restrictions imposed on the issuance of additional partnership interests to us in particular;

the prohibition against removing us as general partner by the limited partners;

restrictions on our power to conduct businesses other than owning partnership interests of our operating partnership and the relationship of our common shares to OP units;

limitations on transactions with affiliates;

our liability as general partner for monetary or other damages to our operating partnership; or

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the transfer of partnership interests held by us or the dissolution of our operating partnership.

Amendments to the partnership agreement that would, among other things, (1) convert a limited partner's interest into a general partner's interest, (2) modify the limited liability of a limited partner, (3) alter the interest of a partner in profits or losses, or the right to receive any distributions, except as permitted under the partnership agreement with respect to the admission of new partners or the issuance of additional OP units, or (4) materially alter the unit redemption right of the limited partners, must be approved by each affected limited partner or any assignee who is a bona fide



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financial institution that loans money or otherwise extends credit to a holder of OP units or partnership interests that would be adversely affected by the amendment.

**Registration Rights**

Our operating partnership's limited partners (other than us and our subsidiaries) will have the right to require our operating partnership to redeem part or all of their OP units for cash, or, at our election, common shares. We have granted registration rights to those persons who will receive common shares issuable upon redemption of OP units. These registration rights require us to use commercially reasonable efforts to seek to register all such common shares for sale approximately twelve months after issuance of such OP units, if we are eligible to file a registration statement on Form S-3 at the time. Our operating partnership will bear expenses incident to these registration requirements. However, neither we nor our operating partnership will bear the costs of any underwriting discounts or commissions.

**Term**

Our operating partnership will continue until dissolved pursuant to the partnership agreement or as otherwise provided by law.

**Tax Matters**

Pursuant to the partnership agreement, the general partner is the tax matters partner of our operating partnership. Accordingly, through our role as the general partner of our operating partnership, we have authority to make tax elections under the Code on behalf of our operating partnership, and to take such other actions as permitted under the partnership agreement.

**Conflicts of Interest**

Conflicts of interest exist or could arise in the future as a result of our relationships with our operating partnership or any limited partner of our operating partnership. Our trustees and officers have duties to our company and our shareholders under applicable Maryland law in connection with their management of our company. At the same time, we, as sole general partner, have fiduciary duties to our operating partnership and to its limited partners under Delaware law in connection with the management of our operating partnership. Our duties as sole general partner to our operating partnership and its partners may come into conflict with the duties of our trustees and officers to our company and our shareholders. The partnership agreement provides that in the event of a conflict between the interests of the limited partners of our operating partnership and our shareholders, we shall act in the interests of our shareholders, and we shall not be liable for monetary or other losses sustained, liabilities incurred or benefits not derived by limited partners in our operating partnership in connection therewith.

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**MATERIAL PROVISIONS OF MARYLAND LAW AND OF OUR DECLARATION  
OF TRUST AND BYLAWS**

**Our Board of Trustees**

Our declaration of trust and bylaws provide that the number of trustees of our company will not be less than two and, unless our bylaws are amended, not more than 15, and the number of trustees of our company may be increased or decreased pursuant to our bylaws by a vote of the majority of our entire board of trustees.

Pursuant to our declaration of trust and bylaws, each member of our board of trustees is elected by our shareholders to serve until the next annual meeting of shareholders and until his or her successor is duly elected and qualifies. Holders of our common shares have no right to cumulative voting in the election of trustees, and trustees are elected by a plurality of all the votes cast in the election of trustees. Consequently, at each annual meeting of shareholders, the holders of a majority of our common shares are able to elect all of our trustees.

**Removal of Trustees**

In general, our declaration of trust provides that, subject to the rights of holders of one or more classes or series of preferred shares to elect or remove one or more trustees, a trustee may be removed only for cause (as defined in our declaration of trust) and only by the affirmative vote of holders of shares entitled to cast at least two-thirds of the votes entitled to be cast generally in the election of trustees. Except as described below, this provision, when coupled with the exclusive power of our board of trustees to fill vacant trusteeships, may preclude shareholders from removing incumbent trustees except for cause and by a substantial affirmative vote and filling the vacancies created by such removal with their own nominees.

**Business Combinations**

Under provisions of the Maryland General Corporation Law, or MGCL, that apply to Maryland real estate investment trusts, certain "business combinations" (including a merger, consolidation, share exchange or, in certain circumstances specified under the statute, an asset transfer or issuance or reclassification of equity securities) between a Maryland real estate investment trust and any interested shareholder, or an affiliate of such an interested shareholder, are prohibited for five years after the most recent date on which the interested shareholder becomes an interested shareholder. Maryland law defines an interested shareholder as:

any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the trust's outstanding voting shares; or

an affiliate or associate of the trust who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then-outstanding voting shares of the trust.

A person is not an interested shareholder under the statute if the board of trustees approves in advance the transaction by which the person otherwise would have become an interested shareholder. In approving a transaction, however, the board of trustees may provide that its approval is subject to compliance at or after the time of the approval, with any terms and conditions determined by the board of trustees.

After the five-year prohibition, unless, among other conditions, the trust's common shareholders receive a minimum price (as described under Maryland law) for their shares and the consideration is received in cash or in the same form as previously paid by the interested shareholder for its shares, any business combination between the trust and an interested shareholder generally must be recommended by the board of trustees and approved by the affirmative vote of at least:

80% of the votes entitled to be cast by holders of outstanding voting shares of the trust; and

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two-thirds of the votes entitled to be cast by holders of voting shares of the trust other than shares held by the interested shareholder with whom (or with whose affiliate) the business combination is to be effected or shares held by an affiliate or associate of the interested shareholder.

These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by a trust's board of trustees prior to the time that the interested shareholder becomes an interested shareholder. As permitted by the MGCL, our board of trustees has adopted a resolution exempting any business combination between us and any other person from the provisions of this statute, provided that the business combination is first approved by our board of trustees (including a majority of trustees who are not affiliates or associates of such persons). However, our board of trustees may repeal or modify this resolution at any time in the future, in which case the applicable provisions of this statute will become applicable to business combinations between us and interested shareholders.

**Control Share Acquisitions**

Maryland law provides that "control shares" of a Maryland real estate investment trust acquired in a "control share acquisition" have no voting rights except to the extent approved at a special meeting of shareholders by the affirmative vote of two-thirds of the votes entitled to be cast on the matter, excluding shares in a Maryland real estate investment trust in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of such shares in the election of trustees: (1) a person who makes or proposes to make a control share acquisition; (2) an officer of the trust; or (3) an employee of the trust who is also a trustee of the trust. "Control shares" are voting shares that, if aggregated with all other such shares previously acquired by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing trustees within one of the following ranges of voting power:

one-tenth or more but less than one-third;

one-third or more but less than a majority; or

a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval. A "control share acquisition" means the acquisition, directly or indirectly, of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses and making an "acquiring person statement" as described in the MGCL), may compel our board of trustees to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the control shares. If no request for a special meeting is made, we may present the question at any shareholders meeting.

If voting rights of control shares are not approved at the meeting or if the acquiring person does not deliver an "acquiring person statement" as required by Maryland law, then, subject to certain conditions and limitations, the trust may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of shareholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a shareholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights, unless appraisal rights are eliminated under the declaration

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of trust. Our declaration of trust eliminates all appraisal rights of shareholders. The control share acquisition statute does not apply (1) to shares acquired in a merger, consolidation or share exchange if we are a party to the transaction or (2) to acquisitions approved or exempted by the declaration of trust or bylaws of the trust.

Our bylaws contain a provision exempting from the control share acquisition statute any acquisition by any person of our shares. There can be no assurance that such provision will not be amended or eliminated at any time in the future.

**Maryland Unsolicited Takeovers Act**

Subtitle 8 of Title 3 of the MGCL permits a Maryland real estate investment trust with a class of equity securities registered under the Exchange Act and at least three independent trustees to elect to be subject, by provision in its declaration of trust or bylaws or a resolution of its board of trustees and notwithstanding any contrary provision in the declaration of trust or bylaws, to any or all of the following five provisions:

a classified board;

a two-thirds shareholder vote requirement for removing a trustee;

a requirement that the number of trustees be fixed only by vote of the trustees;

a requirement that a vacancy on the board be filled only by the remaining trustees and for the remainder of the full term of the class of trustees in which the vacancy occurred; and

a requirement that requires the request of the holders of at least a majority of all votes entitled to be cast to call a special meeting of shareholders.

Our declaration of trust provides that, at such time as we become eligible to make a Subtitle 8 election, we elect to be subject to the provisions of Subtitle 8 relating to the filling of vacancies on our board of trustees. In July 2013, our board of trustees and our shareholders approved an amendment to our declaration of trust under which we will elect not to be subject to these provisions.

Through provisions in our declaration of trust and bylaws unrelated to Subtitle 8, we also (1) require the affirmative vote of the holders of not less than two-thirds of all of the votes entitled to be cast on the matter for the removal of any trustee from our board, which removal will be allowed only for cause, (2) vest in our board the exclusive power to fix the number of trusteeships, subject to limitations set forth in our declaration of trust and bylaws, and fill vacancies and (3) require, unless called by the Executive Chairman of our board of trustees, the President or Chief Executive Officer or our board of trustees, the written request of shareholders entitled to cast a majority of all votes entitled to be cast at such meeting to call a special meeting. We have not elected to create a classified board.

**Meetings of Shareholders**

Pursuant to our bylaws, an annual meeting of our shareholders for the purpose of the election of trustees and the transaction of any business will be held on a date and at the time and place set by our board of trustees. Each of our trustees is elected by our shareholders to serve until the next annual meeting and until his or her successor is duly elected and qualifies under Maryland law. The next annual meeting of our shareholders is scheduled for May 8, 2014 in Agoura Hills, California. In addition, our Chairman, Chief Executive Officer, President or our board of trustees may call a special meeting of our shareholders. Subject to the provisions of our bylaws, a special meeting of our shareholders to act on any matter that may properly be considered by our shareholders will also be called by our secretary upon the written request of shareholders entitled to cast a majority of all the votes entitled to be cast at the meeting on such matter, accompanied by the information required by our bylaws. Our secretary will inform the requesting shareholders of the reasonably estimated cost of

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preparing and mailing the notice of meeting (including our proxy materials), and the requesting shareholder must pay such estimated cost before our secretary may prepare and mail the notice of the special meeting.

**Amendment of Our Declaration of Trust and Extraordinary Transactions**

Under Title 8, a Maryland real estate investment trust generally cannot amend its declaration of trust or merge with another entity unless declared advisable by a majority of the board of trustees and approved by the affirmative vote of shareholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter unless a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter, is set forth in the real estate investment trust's declaration of trust. Our declaration of trust provides that such actions (other than certain amendments to the provisions of our declaration of trust related to the removal of trustees, the restrictions on ownership and transfer of our shares and termination of the trust) may be taken if declared advisable by a majority of our board of trustees and approved by the vote of shareholders holding a majority of the votes entitled to be cast on the matter.

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

**Bylaws Amendments**

Except as described below, our board of trustees has the exclusive power to adopt, alter or repeal any provision of our bylaws and to make new bylaws.

The provisions in our bylaws relating to a special election meeting and the amendment thereof may not be amended without the affirmative vote or written or electronic consent of holders of at least 75% of the outstanding common shares entitled to vote thereon (other than shares held by our executive officers).