

AVALONBAY COMMUNITIES INC
Form 424B2
May 05, 2016

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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-202185

CALCULATION OF REGISTRATION FEE

Title of Securities Being Registered	Maximum Aggregate Offering Price	Amount of Registration Fee
2.95% Notes due May 11, 2026	\$475,000,000	\$47,832(1)

(1)

The registration fee of \$47,832 is calculated in accordance with Rules 457(o) and 457(r) under the Securities Act of 1933, as amended (the "Securities Act"). In accordance with Rules 456(b) and 457(r) under the Securities Act, the registrant initially deferred payment of all of the registration fee for Registration Statement No. 333-202185 filed by the registrant on February 19, 2015.

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Pricing Supplement No. 21 dated May 4, 2016
(To Prospectus dated February 19, 2015 and
Prospectus Supplement dated May 6, 2015)

Medium-Term Notes Fixed Rate

2.95% Notes due 2026

Principal Amount: \$475,000,000

Net Proceeds (before expenses) to Issuer: \$471,751,000

Stated Maturity Date: May 11, 2026

Original Issue Date: May 11, 2016

Interest Payment Dates: May 15 and November 15

Redemption:

Issue Price (Public Offering Price): 99.966%

Agents' Discount Commission: 0.650%

Interest Rate: 2.95%

CUSIP: 05348E AX7

First Interest Payment Date: November 15, 2016

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The Notes cannot be redeemed prior to the Stated Maturity Date at the option of the issuer.

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The Notes may be redeemed prior to the Stated Maturity Date at the option of the issuer.

Initial Redemption Date: At any time prior to the Stated Maturity Date. See Additional/Other Terms of the Notes.

Initial Redemption Percentage/Redemption Price: See Additional/Other Terms of the Notes.

Annual Redemption Percentage Reduction: N/A

Optional Repayment:

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The Notes cannot be required to be repaid prior to the Stated Maturity Date at the option of the Holder of the Notes.

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The Notes can be repaid prior to the Stated Maturity Date at the option of the Holder of the Notes.

Optional Repayment Dates:

Repayment Price: %

Currency:

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Specified Currency: U.S. Dollars (If other than U.S. Dollars, see attached)

Minimum Denominations:

(Applicable only if Specified Currency is other than U.S. Dollars)

Original Issue Discount ("OID"): Yes No

Total Amount of OID:

Yield to Maturity:

Initial Accrual Period:

Form: Book-Entry Certificated

- | | |
|--|---|
| <p>Agent:</p> <ul style="list-style-type: none"> <input type="radio"/> Barclays Capital Inc. <input checked="" type="radio"/> Deutsche Bank Securities Inc. <input type="radio"/> Goldman, Sachs & Co. <input checked="" type="radio"/> J.P. Morgan Securities LLC <input type="radio"/> Merrill Lynch, Pierce, Fenner & Smith Incorporated | <ul style="list-style-type: none"> <input checked="" type="radio"/> Morgan Stanley & Co. LLC <input checked="" type="radio"/> UBS Securities LLC <input type="radio"/> Wells Fargo Securities, LLC <input checked="" type="radio"/> Other PNC Capital Markets LLC SunTrust Robinson Humphrey, Inc. BB&T Capital Markets, a division of BB&T Securities, LLC BNY Mellon Capital Markets, LLC Mitsubishi UFJ Securities (USA), Inc. TD Securities (USA) LLC |
|--|---|

Agent acting in the capacity as indicated below:

Agent Principal

If as Principal:

- The Notes are being offered at varying prices related to prevailing market prices at the time of resale.
- The Notes are being offered at a fixed initial public offering price of 99.966% of Principal Amount.

If as Agent:

The Notes are being offered at a fixed initial public offering price of % of Principal Amount.

Exchange Rate Agent: N/A

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Additional/Other Terms of the Notes

Other Terms:

Reopening of Issue. We may, from time to time and without the consent of the noteholders, reopen an issue of notes and issue additional notes having the same terms and conditions (including maturity, interest payment terms and CUSIP number) as notes issued on an earlier date, except for the issue date, issue price and, if applicable, the first payment of interest. After such additional notes are issued, they will be fungible with the notes issued on such earlier date.

Optional Redemption. The Notes may be redeemed at any time at the option of AvalonBay, in whole or in part, upon notice of not more than 45 and not less than 15 days prior to the date fixed for redemption (each, a "Redemption Date"), at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed, plus accrued interest thereon to the Redemption Date and (ii) the Make-Whole Amount, if any, with respect to such Notes. If the Notes are redeemed on or after 90 days prior to the Maturity Date, the Redemption Price will equal 100% of the principal amount of the Notes being redeemed plus accrued interest thereon to the Redemption Date.

Acceleration of Maturity; Make-Whole Amount. If an Event of Default with respect to the Notes that are then outstanding occurs and is continuing, and pursuant to Section 2.7 of the Amended and Restated Third Supplemental Indenture dated as of July 10, 2000 (the "Third Supplemental Indenture"), the Trustee or the Holders of not less than 25% in principal amount of the then outstanding Notes of this series shall have declared the principal amount (or, if the Notes of this series are Original Issue Discount Securities or Indexed Securities, such portion of the principal as may be specified in the terms hereof) of all the Notes of this series to be due and payable immediately, by a notice in writing to AvalonBay (and to the Trustee if given by the Holders), then upon any such declaration such principal, or specified portion thereof, plus accrued interest to the date the Notes of this series are paid, plus the Make-Whole Amount on the Notes, shall become immediately due and payable. With respect to the Notes of this series, if an Event of Default set forth in Section 501(6) of the Indenture, dated as of January 16, 1998, between AvalonBay and the Trustee (the "Indenture") occurs and is continuing, such that pursuant to Section 2.7 of the Third Supplemental Indenture all the Notes of this series are immediately due and payable, without notice to AvalonBay, at the principal amount thereof (or, if the Notes of this series are Original Issue Discount Securities or Indexed Securities, such portion of the principal as may be specified in the terms of the Notes), plus accrued interest to the date the Notes are paid, then the Make-Whole Amount on the Notes shall also be immediately due and payable.

Definitions. Terms used but not defined herein shall have the meanings set forth in the Indenture and the Third Supplemental Indenture. The following terms shall have the following meanings:

"Make-Whole Amount" means, in connection with any optional redemption or accelerated payment of any Note, the excess, if any, of (i) the aggregate present value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect of such dollar if such redemption or accelerated payment had not been made, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date such notice of Redemption is given or declaration of acceleration is made) from the respective dates on which such principal and interest would have been payable if such redemption or accelerated payment had not been made, over (ii) the aggregate principal amount of the Notes being redeemed or paid.

"Reinvestment Rate" means twenty (20) basis points plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding

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to the remaining life to maturity, as of the payment date of the principal being redeemed or paid. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For such purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination of the Make-Whole Amount, then such other reasonably comparable index which shall be designated by AvalonBay.

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Risk Factors

In addition to the other information contained in this pricing supplement and the accompanying prospectus supplement and prospectus, you should carefully consider the risks described in the accompanying prospectus supplement and prospectus under the heading "Risk Factors" and any additional information and risk factors described in the documents incorporated by reference in the accompanying prospectus supplement and prospectus, including (i) our Annual Report on Form 10-K, (ii) our Quarterly Reports on Form 10-Q and (iii) any other documents we file with the SEC after the date of the prospectus that are deemed incorporated by reference in the prospectus before making a decision to invest in the Notes. These risks are not the only risks we face. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. These risks could adversely affect, among other things, our business, financial condition, results of operations or cash flows, and could cause the trading price of the Notes to decline, resulting in the loss of all or part of your investment.

Forward-Looking Statements

This pricing supplement and the accompanying prospectus supplement and prospectus and any related free writing prospectus, including the information incorporated by reference, contain statements that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "project," "plan," "may," "shall," "will," "outlook" and other similar expressions that predict or indicate future events and trends and which do not relate to historical matters. We cannot assure the future results or outcome of the matters described in these statements; rather, these statements merely reflect our current expectations of the approximate outcomes of the matters discussed. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. In addition, these forward-looking statements represent our estimates and assumptions only as of the date of this pricing supplement. We do not undertake to update these forward-looking statements and, therefore, they may not represent our estimates and assumptions after the date of this pricing supplement. These risks, uncertainties and other factors, which are described below and under the headings "Risk Factors" and "Forward-Looking Statements" in the accompanying prospectus supplement and prospectus and in the documents incorporated by reference, may cause our actual results, performance or achievements to differ materially, and potentially in adverse ways, from the anticipated future results, performance or achievements expressed or implied by these forward-looking statements.

Some of the factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, but are not limited to, the following:

our expectations and assumptions as of the date of this pricing supplement regarding the outcome of investigations and/or legal proceedings resulting from the Avalon at Edgewater casualty loss, as well as the ultimate cost and timing of replacing the Edgewater building and achieving stabilized occupancy in the event that we choose to rebuild this community, are subject to change and could materially affect our current expectations regarding the impact of the casualty loss on our business, financial condition and results of operations;

we may fail to secure development opportunities due to an inability to reach agreements with third-parties to obtain land at attractive prices or to obtain desired zoning and other local approvals;

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we may abandon or defer development opportunities for a number of reasons, including changes in local market conditions which may make development less desirable, increases in costs of development, increases in the cost of capital or lack of capital availability, resulting in losses;

construction costs of a community may exceed our original estimates;

we may not complete construction and lease-up of communities under development or redevelopment on schedule, resulting in increased interest costs and construction costs and a decrease in our expected rental revenues;

occupancy rates and market rents may be adversely affected by competition and local economic and market conditions which are beyond our control;

financing may not be available on favorable terms or at all, and our cash flows from operations and access to cost effective capital may be insufficient for the development of our pipeline which could limit our pursuit of opportunities;

our cash flows may be insufficient to meet required payments of principal and interest, and we may be unable to refinance existing indebtedness or the terms of such refinancing may not be as favorable as the terms of existing indebtedness;

we may be unsuccessful in our management of investment funds and joint ventures, or any real estate investment trust, or REIT, vehicles that are used with any specific fund or joint venture, described in greater detail in the periodic reports we file with the SEC that are incorporated by reference into this prospectus supplement; and

we may be unsuccessful in managing changes in our portfolio composition.

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Use of Proceeds

We will use the net proceeds, after estimated issuance costs, of approximately \$471,152,225 from the sale of the Notes to reduce indebtedness outstanding under our \$1,500,000,000 unsecured revolving credit facility, a portion of which had been used for the repayment and refinancing of other indebtedness, and for general corporate purposes, which may include the acquisition, development and redevelopment of apartment communities. Pending such uses, we may invest the net proceeds from the sale of the Notes in short-term demand deposits, short-term money market funds or investment grade securities or other similar investments. Borrowings under our unsecured revolving credit facility were used to fund the acquisition, development and redevelopment of apartment communities and for general working capital purposes.

As of April 30, 2016, we had borrowings of approximately \$500,000,000 outstanding under our unsecured revolving credit facility, as well as approximately an additional \$53,292,897 used to provide letters of credit, resulting in approximately \$946,707,103 available for borrowing under the unsecured revolving credit facility. At April 30, 2016, the outstanding tranches we had borrowed under our unsecured revolving credit facility had a weighted average interest rate of approximately 1.2714% per annum. As of the date of this pricing supplement, the weighted average maturity date of the outstanding tranches is approximately sixteen and one-half (16.5) days, but the maturity of all tranches may be extended, by subsequent rollovers of each tranche, until January 31, 2021, which is the final maturity date of our unsecured revolving credit facility if we exercise our option to extend the maturity for up to nine months through the exercise of a single nine-month extension for a \$1,500,000 fee. Available amounts under our unsecured revolving credit facility may also be used to provide additional letters of credit.

Affiliates of each of the Agents are lenders under our unsecured revolving credit facility, and affiliates of certain of the Agents are lenders under our \$300,000,000 term loan. To the extent we use the net proceeds of this offering to reduce indebtedness outstanding under our unsecured revolving credit facility or other outstanding indebtedness, such affiliates of the Agents may receive a portion of the net proceeds from this offering. See "Plan of Distribution (Conflicts of Interest)."

United States Federal Income Tax Considerations

The amount of original issue discount, or OID, for the Notes will be *de minimis* under the rules described in the section entitled "Federal Income Tax Considerations and Consequences of Your Investment" in the accompanying prospectus, and thus the Notes will not be treated as having OID for U.S. federal income tax purposes.

You are urged both to review the discussion in the section entitled "Federal Income Tax Considerations and Consequences of Your Investment" in the accompanying prospectus, as updated by the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations Federal Income Tax Law Changes and Updates" on pages 60-61 of our Annual Report on Form 10-K filed with the SEC on February 25, 2016, and to consult with your own tax advisor to determine the effect of the ownership and disposition of our debt securities on your individual tax situation, including any state, local or non-U.S. tax consequences.

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Each of the Agents has severally agreed to purchase from AvalonBay, and AvalonBay has agreed to sell to the Agents, the principal amount of Notes set forth opposite the Agent's name below:

Agent	Principal Amount
UBS Securities LLC	\$ 109,250,000
Morgan Stanley & Co. LLC	109,250,000
Deutsche Bank Securities Inc.	71,250,000
J.P. Morgan Securities LLC	71,250,000
PNC Capital Markets LLC	28,500,000
SunTrust Robinson Humphrey, Inc.	28,500,000
BB&T Capital Markets, a division of BB&T Securities, LLC	14,250,000
BNY Mellon Capital Markets, LLC	14,250,000
Mitsubishi UFJ Securities (USA), Inc.	14,250,000
TD Securities (USA) LLC	14,250,000
Total	\$ 475,000,000

Each of the Agents will receive a discount commission for the Notes to be sold by them as set forth above. The Agents propose to offer the Notes initially at the public offering price set forth above and to certain dealers at that price less a concession not in excess of 0.4% of the principal amount of the Notes. The Agents may allow, and the dealers may reallow, a discount not in excess of 0.2% of the principal amount of the Notes on sales to certain other dealers. After this offering of the Notes, the Agents may vary the public offering price and other selling terms from time to time.

It is expected that delivery of the Notes will be made against payment therefor on or about May 11, 2016 the fifth business day following the date hereof. Trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

Conflicts of Interest

As described in "Use of Proceeds," the net proceeds of this offering may be used to repay indebtedness outstanding under our \$1,500,000,000 unsecured revolving credit facility. Affiliates of each of the Agents are lenders under our unsecured revolving credit facility, and to the extent that we use the net proceeds from the sale of the Notes to reduce indebtedness outstanding under the unsecured revolving credit facility, some of them may receive 5% or more of the proceeds from this offering and, as a result, the affiliates of such Agents may be considered to have a "conflict of interest" with us in regard to this offering.

Other Relationships

As described in the accompanying prospectus supplement, the Agents and their affiliates have provided, or may in the future provide, various investment banking, commercial banking, corporate trust, financial advisory, brokerage and other services to us and our affiliates for which services they have received, and may in the future receive, customary fees. In addition, the Agents and their affiliates have provided, and may in the future provide, construction loans, letter of credit facilities and other credit-related arrangements to us. The Agents and their affiliates have participated in, and may in the future participate in, debt offerings for us. In the ordinary course of their various business activities, the Agents and their respective affiliates may make or hold a broad array of investments and actively trade

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debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and such investment and securities activities may involve securities and/or instruments of us. Certain of the Agents and/or their affiliates that have a lending relationship with us may hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Agents and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

For additional information concerning the offering and sale of the Notes, see "Supplemental Plan of Distribution" in the accompanying prospectus supplement and "Plan of Distribution" in the accompanying prospectus.

Selling Restrictions

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this pricing supplement, prospectus supplement and accompanying prospectus (including any amendment thereto) contain a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the Agents are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of notes may not be made to the public in that relevant member state other than under the following exemptions if they have been implemented in that member state:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives of the several agents; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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provided that no such offer of notes shall require us or any agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an "offer of notes to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in each relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

United Kingdom

This document is only being distributed to, and is only directed at, (i) persons who are outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Each agent has represented, warranted and agreed that:

- (d) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000 ("FSMA")) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (e) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such notes in, from or otherwise involving the United Kingdom.

Switzerland

The notes may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the notes or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of notes will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of notes has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of notes.

Prospectus Supplement
(To Prospectus dated February 19, 2015)

\$750,000,000

Medium-Term Notes
Due nine months or more from date of issue

AvalonBay Communities, Inc.

The Company: AvalonBay Communities, Inc. Our executive offices are located at Ballston Tower, 671 N. Glebe Road, Suite 800, Arlington, Virginia 22203 and our telephone number is (703) 329-6300.

Terms: We plan to offer and sell medium-term notes from time to time, in various amounts. The medium-term notes will have various terms, including the following:

Ranking as senior unsecured indebtedness of AvalonBay

Stated maturities of nine months or more from date of issue

Redemption and/or repayment provisions, if applicable, whether mandatory or at the option of AvalonBay or noteholders

Payments in U.S. dollars or one or more foreign currencies

Minimum denominations of \$1,000 or other specified denominations for foreign currencies

Book-entry, through The Depository Trust Company, or certificated form

Interest at fixed or floating rates, or no interest at all. The floating interest rate may be based on one or more indices plus or minus a spread and/or multiplied by a spread multiplier.

Interest payments on fixed rate notes as specified in a pricing supplement and on the maturity date

Interest payments on floating rate notes on a monthly, quarterly, semiannual or annual basis

We will specify the final terms for each medium-term note, which may be different from the terms described in this prospectus supplement, in the applicable pricing supplement.

Investing in the notes involves risks. See "Risk Factors" beginning on Page S-1.

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

offense.

	Price to public	Agents' discounts and commissions		Proceeds to AvalonBay	
Per Note	100%	0.125%	0.750%	99.875%	99.250%
Total	\$ 750,000,000	\$937,500	\$5,625,000	\$749,062,500	\$744,375,000

We are offering the medium-term notes on a continuous basis to or through the agents listed below acting as agents or principals using their reasonable efforts on our behalf. AvalonBay reserves the right to cancel or modify this offer without notice. AvalonBay or an agent, if the agent solicits the offer on an agency basis, may reject any offer to purchase notes in whole or in part. See "Supplemental Plan of Distribution."

Barclays

BofA Merrill Lynch

Deutsche Bank Securities

Goldman, Sachs & Co.

J.P. Morgan

Morgan Stanley

UBS Investment Bank

Wells Fargo Securities

The date of this prospectus supplement is May 6, 2015

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. Neither we nor any agent has authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor any agent is making an offer to sell these medium-term notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement is accurate only as of the date on the front cover of the applicable document.

References in this prospectus supplement to "AvalonBay," "the Company," "our company," "we," "us," or "our" or similar expressions in this prospectus supplement refer collectively to AvalonBay Communities, Inc., a Maryland corporation, and its subsidiaries, and their respective predecessor entities for the applicable periods, considered as a single enterprise.

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(i)

Risk Factors

Before you invest in the medium-term notes, you should carefully consider the risks described below as well as other information contained in this prospectus supplement, the accompanying prospectus and any pricing supplement and the documents incorporated or deemed incorporated by reference herein or therein.

Notes indexed to interest rates, currencies or other indices or formulas have inherent risks not associated with a conventional debt security.

If you invest in notes indexed to one or more interest rates, currencies or composite currencies or other indices or formulas, you will be subject to significant risks not associated with a conventional fixed rate or floating rate debt security. These risks include fluctuation of the indices or formulas and the possibility that you will receive a lower, or no, amount of principal, premium or interest and at different times than you expected. We have no control over a number of matters, including economic, financial and political events, that are important in determining the existence, magnitude and longevity of these risks and their results. In addition, if an index or formula used to determine any amounts payable in respect of the notes contains a multiplier or leverage factor, the effect of any change in the particular index or formula will be magnified. In recent years, values of these indices and formulas have been volatile and volatility in those and other indices and formulas may be expected in the future.

There may not be any trading market for your notes.

We cannot assure you that a trading market for your notes will be maintained or ever develop. Many factors independent of our creditworthiness may affect the trading market of your notes and the value of the applicable index or indices, or formula or formulas. These factors include:

the complexity and volatility of the index or formula applicable to the notes;

the possibility that each index or formula may be subject to significant changes;

the method of calculating the principal, premium and interest in respect of the notes;

the time remaining to the maturity of the notes;

the outstanding amount of the notes;

the redemption features of the notes;

the amount of other securities linked to the index or formula applicable to the notes; and

the level, direction and volatility of market interest rates generally.

Finally, because some notes may be designed for specific investment objectives or strategies, those notes will have a more limited trading market and may experience more price volatility than other forms of debt securities. The notes will not have an established trading market when issued, and there can be no assurance of a secondary market for the notes or the liquidity of this market if one develops. This may affect the price you receive for these notes, your anticipated yield, or your ability to sell the notes at all. You should not purchase any of these notes unless you understand and know that you can bear the related investment risks.

Redemption may adversely affect your return on the notes.

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If the notes are redeemable at our option, we may choose to redeem the notes at times when prevailing interest rates are relatively low. In addition, if the notes are subject to mandatory redemption, we may also be required to redeem the notes at times when prevailing interest rates are relatively low. As a result, you may be required to reinvest redemption proceeds at a time that is not chosen by you and generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the notes being redeemed.

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Repayment procedures may limit your ability to obtain repayment of the notes.

Your notes may be repayable at your option if specified in the pricing supplement relating to the notes. If your notes are repayable at your option under specific circumstances, you will be required to follow specified procedures. Among these procedures is a requirement that the holder must provide the Trustee with the required documentation at least 30 days and no more than 60 days prior to the repayment date. If the note is a global note, there may be additional notice deadlines imposed by DTC or any broker or other intermediary through which the notes are held. Accordingly, these repayment procedures may limit your ability to obtain repayment of the notes on an expedited basis, and your failure to comply with the repayment procedures may adversely affect your ability to obtain repayment of your notes.

The credit ratings assigned to our notes may not reflect all risks of an investment in the notes.

The credit ratings assigned to our medium-term notes reflect the rating agencies' assessments of our ability to make payments on the notes when due. Recently, rating agencies have been criticized for not adequately reflecting risk associated with certain securities in their ratings. Consequently, real or anticipated changes in these credit ratings will generally affect the market value of your notes. These credit ratings, however, may not reflect the potential impact of risks related to structure, market or other factors related to the value of your notes or the possibility that payments on indexed notes may be less than anticipated because of changes in the specified index.

Fluctuations in exchange rates and modification of exchange controls may impair your investment in the notes.

An investment in foreign currency notes entails significant risks that are not associated with a similar investment in a debt security denominated and payable in United States dollars. These risks include:

the possibility of significant changes in the exchange rate between the United States dollar and the applicable foreign currency or composite currency; and

the possibility of the imposition or modification of exchange controls by the applicable governments or monetary authorities.

These risks generally depend on factors over which we have no control, such as economic, financial and political events and the supply and demand for the applicable currencies or composite currencies. In addition, if payments on your foreign currency notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the applicable currencies or composite currencies will be magnified.

In recent years, exchange rates between the United States dollar and foreign currencies or composite currencies have been volatile and this volatility may continue or increase in the future. Fluctuations between currencies that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future. Depreciation of the foreign currency or composite currency in which a foreign currency note is payable against the United States dollar would result in a decrease:

in the United States dollar-equivalent yield of the foreign currency note;

in the United States dollar-equivalent value of the principal and premium, if any, payable on the maturity date of the foreign currency note; and

Entering 2016, the market environment has worsened, as commodity prices have further declined. Our situation has been exacerbated by the roll off of our hedging arrangements. As a result, our cash flow from operations has further declined and our stock price declined significantly and, on January 13, 2016, the New York Stock Exchange (the NYSE) formally commenced delisting procedures for our Common Stock due to our abnormally low trading price. On January 21, 2016, the NYSE filed a Form 25 with the Securities and Exchange Commission (the SEC), notifying our removal from listing.

On January 7, 2016, the borrowing base under the Senior Credit Facility was reduced to \$47 million from \$75 million, thus further limiting our liquidity. While we are currently in compliance with our existing debt arrangements, absent an improvement in commodity prices or a reduction in our indebtedness and cash interest expense, we may not be able to make our March 2016 interest payments and, in such event, would likely need to seek relief under the U.S. Bankruptcy Code. In such an event, we expect that the holders of our Existing Unsecured Notes, shares of Existing Preferred Stock and shares of our Common Stock would receive little or no consideration.

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Since December 31, 2015, representatives of our Company have met with numerous stakeholders concerning our Company and we have devised the Recapitalization Plan in an attempt to restructure our balance sheet and increase the Company's liquidity to withstand low commodity prices, for a period of time.

The Board has considered the Recapitalization Plan as well as various alternatives, including not engaging in any restructuring transaction. At the direction of the Board, management of the Company solicited, initiated and participated in discussions with, and facilitated proposals from, potential parties to any alternative to the Recapitalization Plan. The Board reviewed and evaluated the terms of the Recapitalization Plan and any alternatives, and evaluated whether the Recapitalization Plan or any alternative would be in the best interests of all stakeholders, including the holders of Common Stock and the holders of each series of Existing Preferred Stock, in their capacity as such.

Table of Contents**Analysis of the Recapitalization Plan**

Effects of the Recapitalization Plan on the Company's Capital Structure and Capital Stock.

The following table depicts the pro forma impact the Recapitalization Plan would have on our outstanding debt (dollars in thousands) as of January 20, 2016:

	Principal	Pro Forma for the Recapitalization Plan Assuming Minimum Conditions Met⁽¹⁾	Pro Forma for the Recapitalization Plan Assuming Full Exchange Participation
Senior Credit Facility	\$ 27,000	\$ 27,000	\$ 27,000
8.0% Second Lien Senior Secured Notes due 2018	\$ 100,000	\$ 100,000	\$ 100,000
8.875% Second Lien Senior Secured Notes due 2019	\$ 75,000	\$ 75,000	\$ 75,000
8.875% Senior Notes due 2019	\$ 116,828	\$ 5,841	\$ 0
3.25% Convertible Senior Notes due 2026	\$ 429	\$ 21	\$ 0
5.00% Convertible Senior Notes due 2029	\$ 6,692	\$ 335	\$ 0
5.00% Convertible Senior Notes due 2032	\$ 94,160	\$ 4,708	\$ 0
5.00% Convertible Exchange Senior Notes due 2032	\$ 6,117	\$ 306	\$ 0
Total Debt	\$ 426,226	\$ 213,211	\$ 202,000

(1) The table assumes a minimum exchange of 95% of the aggregate principal amount of all the Existing Unsecured Notes for shares of Common Stock based on the aggregate principal amount of all the Existing Unsecured Notes outstanding as of December 31, 2015. Any principal amounts converted into Common Stock pursuant to the terms of the Existing Unsecured Notes on or after January 1, 2016 up to the closing of the Unsecured Notes Exchange Offers will be included for purposes of determining whether the minimum conditions for the Unsecured Notes Exchange Offers have been satisfied. Further, while this table assumes for ease of presentation that 95% of each series of Existing Unsecured Notes is exchanged, the minimum conditions for the Unsecured Notes Exchange Offers will be satisfied if 95% of the aggregate principal amount of all of the Existing Unsecured Notes is exchanged, even if less than 95% of one series of Existing Unsecured Notes is exchanged.

The following table depicts the pro forma impact the Recapitalization Plan would have on our Existing Preferred Stock (dollars in thousands) as of January 20, 2016:

	Liquidation Preference	Pro Forma for the Recapitalization Plan Assuming Minimum Conditions Met⁽¹⁾	Pro Forma for the Recapitalization Plan Assuming Full Exchange Participation
Series B Preferred Stock	\$ 74,172	\$ 37,086	\$ 0
Series C Preferred Stock	\$ 76,510	\$ 38,255	\$ 0
Series D Preferred Stock	\$ 90,527	\$ 45,264	\$ 0
Series E Preferred Stock	\$ 32,262	\$ 16,131	\$ 0
Total	\$ 273,471	\$ 136,736	\$ 0

- (1) The table assumes a minimum exchange of a majority of each series of Existing Preferred Stock for shares of Common Stock based on the aggregate outstanding shares of Existing Preferred Stock as of December 31, 2015. Any shares of Existing Preferred Stock converted into Common Stock pursuant to the terms of the Certificate of Designation of each respective series of Existing Preferred Stock on or after January 1, 2016 up to the closing of the Preferred Exchange Offers will be included for purposes of determining whether the minimum conditions for the Preferred Exchange Offers have been satisfied. Further, while this table assumes for ease of presentation that a majority of each series of Existing Preferred Stock is exchanged, the minimum conditions for the Preferred Exchange Offers will be satisfied if a majority of the outstanding shares of all of the Existing Preferred Stock is exchanged, even if less than a majority of the shares of one series of Existing Preferred Stock is exchanged.

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The following table depicts the pro forma impact of the Recapitalization Plan on the ownership of our Common Stock (in thousands) as of January 20, 2016:

	No. of Shares	Percentage of Common	Pro Forma for the Recapitalization Plan Assuming Minimum Conditions Met		Pro Forma for the Recapitalization Plan Assuming Full Exchange Participation	
			No. of Shares	Percentage of Common	No. of Shares	Percentage of Common
Existing Common Stockholders (Fully Diluted) ⁽¹⁾	90,402	100.0%	90,402	28.03%	90,402	25.0%
Holders of Existing Unsecured Notes			175,200	54.32%	184,421	51.00%
Holders of Existing Preferred Stock			29,832	9.25%	59,665	16.50%
Management ⁽²⁾			27,121	8.40%	27,121	7.50%
Total	90,402	100.0%	322,555	100.0%	361,609	100.0%

(1) This includes 76,303,625 basic shares outstanding, 3,214,663 shares reserved under the 2006 Long-Term Incentive Plan and shares underlying 10,884,000 warrants to purchase Common Stock. Does not include 43,344,330 shares reserved for issuance under our convertible Existing Unsecured Notes and our convertible Existing Preferred Stock.

(2) This includes the number of additional shares expected to be authorized for issuance under the 2006 Long-Term Incentive Plan if the Exchange Offers are consummated.

The Board of Directors has considered the effects the Recapitalization Plan would likely have on our capital structure and the holders of the Company's Common Stock and each series of Existing Preferred Stock, respectively, including:

the reduction in debt and preferred liquidation preference versus substantial dilution to the Company's outstanding Common Stock expected to result from the Recapitalization Plan;

the reduction of the Company's fixed dividend obligations and the increase in the percentage of our capitalization that is Common Stock;

the simplification of the Company's capital structure and the elimination of the market overhang caused by the outstanding Existing Preferred Stock and the liquidation preferences of the Existing Preferred Stock;

expected improvements in institutional investor interest in the Company's Common Stock following the Recapitalization Plan due to an improved balance sheet;

the increased ability of the Company to address its near-term liquidity needs, including the material reduction of cash interest expense on the Company's secured debt obligations and the increased likelihood of attracting new

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capital due to a significantly improved balance sheet.

Financial Impact of the Recapitalization Plan. The Board of Directors considered the likely impact of the Recapitalization Plan on our future results of operations, including:

The elimination of annual cash interest expense of between \$28.9 million (assuming the minimum conditions to the Unsecured Notes Exchange Offers and Second Lien Exchange Offers are met) and \$30.4 million (assuming full participation in the Unsecured Notes Exchanges and Second Lien Exchange Offers) thereby preserving liquidity in the near-term.;

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The elimination of fixed dividend obligations of between \$11.8 million (assuming the minimum conditions to the Preferred Exchanges are met) and \$23.7 million (assuming full participation in the Preferred Exchanges) due to the exchange and cancellation of Existing Preferred Stock in the Preferred Exchanges.

Terms of the Preferred Stock and Related Matters. The Board considered the terms of the outstanding Existing Preferred Stock, including that:

the outstanding Existing Preferred Stock has liquidation and dividend rights senior to the liquidation and dividend rights of the Company's Common Stock;

the total liquidation preference of the outstanding Existing Preferred Stock is approximately \$273,471,330 as of January 20, 2016, which would have to be paid to the holders of the Existing Preferred Stock before the holders of the Company's Common Stock would receive anything in a liquidation or sale of the Company;

the outstanding shares of the Series B Preferred Stock may only be converted by the Company if the price of the Company's Common Stock equals or exceeds 130% of the current conversion price of \$31.36 per share of Common Stock for at least twenty (20) trading days in a period of thirty (30) consecutive trading days;

the outstanding shares of the Series C Preferred Stock may not be converted at the option of the Company and are not redeemable by the Company prior to April 10, 2018 absent a change of control (as such term is defined in the Certificate of Designations of the Series C Preferred Stock);

the outstanding shares of the Series D Preferred Stock may not be converted at the option of the Company and are not redeemable by the Company prior to August 19, 2018 absent a change of control (as such term is defined in the Certificate of Designations of the Series D Preferred Stock);

the outstanding shares of the Series E Preferred Stock may only be converted by the Company if the price of the Company's Common Stock equals or exceeds 150% of the current conversion price of \$2.00 per share of Common Stock for at least twenty (20) trading days in a period of thirty (30) consecutive trading days and outstanding shares of the Series E Preferred Stock are not redeemable by the Company prior to April 10, 2018;

the holders of the Series B Preferred Stock and Series E Preferred Stock have the ability, in their sole discretion, to convert shares of their Series B Preferred Stock and Series E Preferred Stock, respectively into shares of the Company's Common Stock; and

none of the Existing Preferred Stock is mandatorily convertible.

Alternatives to the Recapitalization Plan. The Board considered possible alternatives to the Recapitalization Plan and the consequences of such alternatives, including seeking relief under the U.S. Bankruptcy Code, in which case we expect that the holders of the Existing Unsecured Notes, the Company's Common Stock and the Existing Preferred Stock would likely receive little or no consideration for their securities.

Consequences if the Company is Unable to Consummate the Recapitalization Plan: The Board considered the likely impact on the Company if the Company is unable to consummate the Recapitalization Plan or fails to obtain the approval of the Authorized Shares Proposal, including:

the Company is unlikely to be able to address its near-term and longer-term liquidity needs, including making the March 2016 interest payments to service the Company's secured and unsecured debt obligations; and

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it is likely that the Company will be required to seek relief under the Bankruptcy Code, in which case the Company expects that the holders Existing Unsecured Notes, the Company's Common Stock and the Existing Preferred Stock would likely receive little or no consideration for their securities.

View of Management. The Board of Directors considered the effects that the Recapitalization Plan is expected to have on our Company, and management's view is that in addition to the simplification of the Company's capital structure and other expected benefits, the substantial debt reduction contemplated by the Recapitalization Plan is critical to the Company's continuing viability. If we are unable to complete the Recapitalization Plan, including the Exchange Offers, and address our near-term liquidity needs, we may not be able to make our interest payments on our Existing Unsecured Notes and our Second Lien Notes beginning in March 2016, in case it is likely that time we would seek relief under the U.S. Bankruptcy Code. This relief may include: (i) seeking bankruptcy court approval for the sale or sales of some, most or substantially all of our assets pursuant to section 363(b) of the U.S. Bankruptcy Code and a subsequent liquidation of the remaining assets in the bankruptcy case; (ii) pursuing a plan of reorganization (where votes for the plan may be solicited from certain classes of creditors prior to a bankruptcy filing) that we would seek to confirm (or cram down) despite any classes of creditors who reject or are deemed to have rejected such plan; or (iii) seeking another form of bankruptcy relief, all of which involve uncertainties, potential delays and litigation risks.

Consequences if the Company Completes the Proposed Recapitalization Plan. The Board considered management's view that, based on our current plans, management believes that the Company will be able to continue operations approximately through 2016, giving us more opportunity to take advantage of any future recovery in oil and natural gas prices. The Board also considered the scenario if oil and natural gas prices do not recover or if we are not able to execute our current plan for operations through 2016. In that case, the Board considered that we may need to seek relief under the U.S. Bankruptcy Code notwithstanding the completion of the Exchange Offers, in which case we expect that the holders of the Company's Common Stock and any Existing Unsecured Notes or Existing Preferred Stock that remain outstanding after the Exchange Offers would likely receive little or no consideration for their securities.

Having considered all of the above factors, the Board of Directors determined that the Recapitalization Plan is in the best interests of the holders of the Company's Common Stock and the Existing Preferred Stock in their capacity as such and are critical to the Company's continuing viability. The foregoing discussion of the information and factors considered by the Board of Directors is not intended to be exhaustive and may not include all of the information and factors considered by the Board of Directors. The Board of Directors, in making its determination regarding the Recapitalization Plan, did not find it useful to and did not quantify or assign any relative or specific weights to the various factors that it considered. Rather, the Board of Directors views its determination and recommendation as being based on an overall analysis and on the totality of the information presented to and factors considered by it. In addition, in considering the factors described above, individual members of the Board of Directors may have given differing weights to different factors, and may have viewed some factors relatively more positively or negatively than others.

Recommendation of the Board of Directors

The Board of Directors determined that the Recapitalization Plan is in the best interests of the Company and its stockholders. Accordingly, the Board of Directors determined to (1) approve the Recapitalization Plan, including the Proposals, (2) submit the Proposals to the Company's stockholders and (3) recommend that the Company's stockholders adopt the Proposals.

In making such determinations, the Board of Directors considered the following factors:

the substantial dilution to the Company's outstanding Common Stock expected to result from the Recapitalization Plan was determined to be better for all stakeholders than seeking protection from the U.S. Bankruptcy Code;

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the Proposals would allow the Company to proceed with the Recapitalization Plan and thereby preserve cash flow and liquidity for an additional period of time;

the likelihood of recovery of oil and natural gas prices and the timing thereof;

the Recapitalization Plan would simplify the Company's capital structure and eliminate the overhang created by the Existing Preferred Stock;

the Recapitalization Plan would make it easier for investors to understand and follow the Company, and more accurately value the Company's Common Stock;

the process followed by the Company in recommending the Recapitalization Plan included a Board of Directors comprised of a majority independent and disinterested directors;

the critical nature of the Recapitalization Plan to the Company's continuing viability;

the likelihood that the Company could avoid seeking protection under the U.S. Bankruptcy Code in the event that the Recapitalization Plan is completed; and

the views of the Company's advisors with respect to the Recapitalization Plan.

The foregoing discussion of the information and factors considered by the Board is not intended to be exhaustive and may not include all of the information and factors considered by the Board. The Board, in making its determination regarding the Recapitalization Plan, including the Proposals, did not find it useful to, and did not quantify or assign any relative or specific weights to the various factors that it considered. Rather, the Board relied on its advisors and views its determinations as being based on an overall analysis and on the totality of the information presented to and factors considered by it (including specifically the recommendations of the Board). In addition, in considering the factors described above, individual members of the Board may have given differing weights to different factors, and may have viewed some factors relatively more positively or negatively than others.

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UPDATE TO FINANCIAL AND RESERVE INFORMATION

Production

The Company has not finalized its fourth quarter numbers, but currently estimates that production totaled approximately 475,829 barrels of oil equivalent (Boe), or an average of 5,172 Boe per day, for the three months ended December 31, 2015, compared to 1,047,603 Boe, or an average of 11,387 Boe per day, in the prior year period. Estimated oil production totaled 191,593 barrels of oil (Bbls) in the three months ended December 31, 2015 (40% of total production), or an average of approximately 2,083 Bbls per day, versus 530,815 Bbls (51% of total production), or an average of approximately 5,770 Bbls per day, in the prior year period. Estimated natural gas production for the three months ended December 31, 2015 was 1.7 billion cubic feet (Bcf) in the three months ended December 31, 2015, or an average of approximately 18,537 thousand cubic feet (Mcf) per day, versus 3.1 Bcf, or an average of 33,704 Mcf per day, in the prior year period.

Estimated oil production totaled 1,328,387 Bbls for the year ended December 31, 2015 (50% of total production), or an average of approximately 3,639 Bbls per day, versus 1,691,808 Bbls (40% of total production), or an average of approximately 4,635 Bbls per day, for the year ended December 31, 2014. Estimated natural gas production totaled 8.0 Bcf for the year ended December 31, 2015, or an average of approximately 21,875 Mcf per day, versus 15.0 Bcf, or an average of 41,042 Mcf per day, for the year ended December 31, 2014.

Reserves

The Company has not finalized its year-end proved reserves but currently estimates as of December 31, 2015, proved reserves totaled 55 billion cubic feet equivalent (Bcfe), with future net undiscounted cash flow of \$95 million and present value of the future net cash flow before income taxes discounted at 10% (PV-10) of \$70 million. Proved developed oil reserves declined by approximately 23 million Bbls or 86% from December 31, 2014, which included the removal of all proved undeveloped reserves primarily due to low commodity prices. Year-end 2015 reserves are expected to be comprised of 42% oil and 58% natural gas. The SEC pricing for the year-end 2015 report was \$50.28 per barrel of oil, \$2.58 per Million British Thermal Units for natural gas. Proved reserves from the Tuscaloosa Marine Shale decreased by 15 million Boe (93 Bcfe) and \$328 million of PV-10 compared to the reserves ending December 31, 2014 due primarily to the removal of proved undeveloped reserves due to low oil prices, and now comprises 42% of the Company's total reserves and 79% of the Company's total PV-10.

Impairment

As a result of the sustained depression in oil and natural gas prices, we expect to record a non-cash impairment charge for the three months ended December 31, 2015. The amount of the impairment charge is expected to be material and related to a decline in estimated proved reserves for certain of our oil and natural gas producing properties.

For a more complete description of the risks related to impairments, see Risk Factors We may incur substantial impairment writedowns.

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PROPOSAL NO. 1 APPROVAL OF AN AMENDMENT TO THE CERTIFICATE OF DESIGNATION OF THE SERIES B PREFERRED STOCK (PROPOSAL 1)

Our Board recommends the approval of Proposal 1, which relates to an amendment to the Certificate of Designation of the Series B Preferred Stock. The proposed amendment will include a Company conversion option under which the Company shall have the option for 90 days following completion of our offer to exchange any and all shares of our outstanding Series B Preferred Stock for newly issued shares of our Common Stock (the Series B Exchange Offer) to cause all of the outstanding shares of Series B Preferred Stock to be automatically converted into that number of shares of the Company's Common Stock that are issuable at the conversion rate of 8.899 shares of Common Stock per \$50.00 liquidation preference, which is equivalent to a conversion price of approximately \$5.62 per share of Common Stock. The amendment will also include certain provisions related to the conversion procedures and the adjustment of the conversion rate under certain circumstances.

The higher exchange ratio applicable to the Series B Preferred Stock reflects the higher liquidation preference for the Series B Preferred Stock relative to the lower liquidation preference of the Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock.

The form of the amendment to the Certificate of Designation of the Series B Preferred Stock relating to this Proposal 1 is attached to this Proxy Statement as Appendix A.

Series B Preferred Stock

As of the date of this Proxy Statement, we had 1,483,441 shares issued and outstanding of our Series B Preferred Stock. The liquidation preference is \$50.00 per share of Series B Preferred Stock, plus accumulated and unpaid dividends. Dividends are payable quarterly in arrears beginning March 15, 2006. If we fail to pay dividends on our Series B Preferred Stock on any six dividend payment dates, whether or not consecutive, the dividend rate per annum will be increased by 1.0% until we have paid all dividends on our Series B Preferred Stock for all dividend periods up to and including the dividend payment date on which the accumulated and unpaid dividends are paid in full.

Each share is convertible at the option of the holder into our Common Stock at any time at an initial conversion rate of 1.5946 shares of Common Stock per share, which is equivalent to an initial conversion price of approximately \$31.36 per share of Common Stock. Upon conversion of the Series B Preferred Stock, we may choose to deliver the conversion value to holders in cash, shares of Common Stock, or a combination of cash and shares of Common Stock.

If a fundamental change occurs, holders may require us in specified circumstances to repurchase all or part of the Series B Preferred Stock. In addition, upon the occurrence of a fundamental change or specified corporate events, we will under certain circumstances increase the conversion rate by a number of additional shares of Common Stock. A fundamental change will be deemed to have occurred if any of the following occurs:

We consolidate or merge with or into any person or convey, transfer, sell or otherwise dispose of or lease all or substantially all of our assets to any person, or any person consolidates with or merges into us or with us, in any such event pursuant to a transaction in which our outstanding voting shares are changed into or exchanged for cash, securities, or other property; or

We are liquidated or dissolved or adopt a plan of liquidation or dissolution.

A fundamental change will not be deemed to have occurred if at least 90% of the consideration in the case of a merger or consolidation under the first clause above consists of Common Stock traded on a U.S. national securities exchange and the Series B Preferred Stock becomes convertible solely into such Common Stock.

As of December 21, 2010, we have the option to cause the Series B Preferred Stock to be automatically converted into the number of shares of Common Stock that are issuable at the then-prevailing conversion rate, pursuant to a conversion option in favor of the Company. We may exercise our conversion right only if, for

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20 trading days within any period of 30 consecutive trading days ending on the trading day before the announcement of our exercise of the option, the closing price of the Common Stock equals or exceeds 130% of the then-prevailing conversion price of the Series B Preferred Stock. The Series B Preferred Stock is non-redeemable by us. There have been no redemptions or conversions in any periods.

Purpose and Effect of Approving the Amendment to the Certificate of Designation of the Series B Preferred Stock under Proposal 1

The primary purpose of amending the Certificate of Designation of the Series B Preferred Stock is to give the Company the flexibility to convert the outstanding shares of the Series B Preferred Stock into shares of the Company's Common Stock upon approval of a majority of the shares of Common Stock and 66.67% of the votes entitled to be cast by the holders of the Series B Preferred Stock. Providing the Company with the ability to automatically convert the Series B Preferred Stock into the Company's Common Stock will enable the Company to conserve cash by reducing its fixed dividend obligations and will increase the percentage of our capitalization that is Common Stock. It will also increase the likelihood of success of the Unsecured Notes Exchange Offers, as holders of the Existing Unsecured Notes are expected to be more willing to convert into Common Stock if all of the Series B Preferred Stock is converted into Common Stock as well. Upon conversion, any holders of our Series B Preferred Stock will forego any dividends currently in arrears. Currently, holders of our Series B Preferred Stock are entitled to receive cash dividend payments of 5.375% per annum if declared by the Board, which the Board does not currently expect to declare in the future.

If Proposal 1 is approved, and the Company's stockholders approve the Authorized Shares Proposal, we will file an amendment to the Certificate of Designation of the Series B Preferred Stock with the Office of the Secretary of State of the State of Delaware with respect to Proposal 1. If the Company chooses to exercise its conversion option by converting all of the outstanding shares of Series B Preferred into shares of the Company's Common Stock, the Series B Preferred Stock will no longer be outstanding.

The form of the amendment to our Certificate of Designation of the Series B Preferred Stock with respect to Proposal 1 is attached to this Proxy Statement as Appendix A.

Consequences If Proposal 1 Is Not Approved

We intend to commence an offer to exchange all of our outstanding shares of Series B Preferred Stock for shares of the Company's Common Stock. If Proposal 1 is not approved, the Company intends to proceed with the Series B Exchange Offer and any Series B Preferred Stock not tendered in the Series B Exchange Offer will remain outstanding.

Board Discretion

If Proposal 1 is approved, we intend to file a certificate of amendment to the Certificate of Designation of the Series B Preferred Stock with the Office of the Secretary of State of the State of Delaware with respect to Proposal 1. Such certificate will become effective upon filing. Our Board reserves the right, notwithstanding stockholder approval of any Proposal and without further action by our stockholders, to elect not to proceed with filing the amendment to the Certificate of Designation of the Series B Preferred Stock if, at any time prior to filing the amendment to the Certificate of Designation of the Series B Preferred Stock, our Board of Directors, in its sole discretion, determines that it is no longer in our best interests or the best interests of our stockholders.

Vote Required for Proposal 1

The affirmative vote of the holders of (i) a majority of the outstanding shares of Common Stock and (ii) two-thirds of the Series B Preferred Stock, voting separately as a class, is required to approve Proposal 1.

Recommendation

Our Board recommends a vote FOR Proposal 1.

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PROPOSAL NO. 2 APPROVAL OF AN AMENDMENT TO THE CERTIFICATE OF DESIGNATIONS OF THE SERIES C PREFERRED STOCK (PROPOSAL 2)

Our Board recommends the approval of Proposal 2, which relates to an amendment to the Certificate of Designations of the Series C Preferred Stock. The proposed amendment will include a Company conversion option under which the Company shall have the option for 90 days following completion of our offer to exchange any and all shares of our outstanding Series C Preferred Stock for newly issued shares of our Common Stock (the Series C Exchange Offer) to cause all of the outstanding depository shares of Series C Preferred Stock to be automatically converted into that number of shares of the Company's Common Stock that are issuable at the conversion rate of 4.449 shares of Common Stock per \$25.00 liquidation preference, which is equivalent to a conversion price of approximately \$5.62 per share of Common Stock. The amendment will also include certain provisions related to the conversion procedures and the adjustment of the conversion rate under certain circumstances.

The form of the amendment to the Certificate of Designations of the Series C Preferred Stock relating to this Proposal 2 is attached to this Proxy Statement as Appendix B.

Series C Preferred Stock

As of the date of this Proxy Statement, we had 3,060,412 depository shares issued and outstanding each representing a 1/1000th ownership interest in a share of our Series C Preferred Stock. The liquidation preference is \$25,000 per share (\$25.00 per depository share) of Series C Preferred Stock, plus accumulated and unpaid dividends.

The Series C Preferred Stock ranks senior to our Common Stock and on parity with our Series B Preferred Stock and our Series D Preferred Stock with respect to the payment of dividends and distribution of assets upon liquidation, dissolution or winding up. The Series C Preferred Stock has no stated maturity and is not subject to mandatory redemption or any sinking fund and will remain outstanding indefinitely unless repurchased or redeemed by us or converted into our Common Stock in connection with certain changes of control.

At any time on or after April 10, 2018, we may, at our option, redeem the Series C Preferred Stock, in whole at any time or in part from time to time, for cash at a redemption price of \$25,000 per preferred share, plus all accumulated and unpaid dividends to, but not including, the date of redemption. We may redeem the Series C Preferred Stock following certain changes of control, if we do not exercise this option, then the holders of the Series C Preferred Stock have the option to convert the shares of Series C Preferred Stock into up to 3,371.54 shares of our Common Stock per share of Series C Preferred Stock, subject to certain adjustments. If we exercise any of our redemption rights relating to shares of Series C Preferred Stock, the holders of Series C Preferred Stock will not have the conversion right described above with respect to the shares of Series C Preferred Stock called for redemption.

Holders of the Series C Preferred Stock have no voting rights except for limited voting rights if we fail to pay dividends for six or more quarterly periods (whether or not consecutive) and in certain other limited circumstances or as required by law.

Purpose and Effect of Approving the Amendment to the Certificate of Designations of the Series C Preferred Stock under Proposal 2

The primary purpose of amending the Certificate of Designations of the Series C Preferred Stock is to give the Company the flexibility to convert the outstanding shares of the Series C Preferred Stock into shares of the Company's Common Stock upon approval of a majority of the shares of Common Stock and 66.67% of the votes entitled to be cast by the holders of the Series C Preferred Stock. Providing the Company with the ability to automatically convert the Series C Preferred Stock into the Company's Common Stock will enable the Company to conserve cash by reducing its fixed dividend obligations and will increase the percentage of our capitalization that is Common Stock. It will also increase the likelihood of success of the Unsecured Notes Exchange Offers, as

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holders of the Existing Unsecured Notes are expected to be more willing to convert into Common Stock if all of the Series C Preferred Stock is converted into Common Stock as well. Upon conversion, any holders of our Series C Preferred Stock will forego any dividends currently in arrears. Currently, holders of our Series C Preferred Stock are entitled to receive cash dividend payments of 10.00% per annum if declared by the Board, which the Board does not currently expect to declare in the future.

If Proposal 2 is approved, and the Company's stockholders approve the Authorized Shares Proposal, we will file an amendment to the Certificate of Designations of the Series C Preferred Stock with the Office of the Secretary of State of the State of Delaware with respect to Proposal 2. If the Company chooses to exercise its conversion option by converting all of the outstanding shares of Series C Preferred into shares of the Company's Common Stock, the Series C Preferred Stock will no longer be outstanding.

The form of the amendment to our Certificate of Designations of the Series C Preferred Stock with respect to Proposal 2 is attached to this Proxy Statement as Appendix B.

Consequences If Proposal 2 Is Not Approved

We intend to commence an offer to exchange all of our outstanding shares of Series C Preferred Stock for shares of the Company's Common Stock. If Proposal 2 is not approved, the Company intends to proceed with the Series C Exchange Offer and any Series C Preferred Stock not tendered in the Series C Exchange Offer will remain outstanding.

Board Discretion

If Proposal 2 is approved, we intend to file a certificate of amendment to the Certificate of Designations of the Series C Preferred Stock with the Office of the Secretary of State of the State of Delaware with respect to Proposal 2. Such certificate will become effective upon filing. Our Board reserves the right, notwithstanding stockholder approval of any Proposal and without further action by our stockholders, to elect not to proceed with filing the amendment to the Certificate of Designations of the Series C Preferred Stock if, at any time prior to filing the amendment to the Certificate of Designations of the Series C Preferred Stock, our Board of Directors, in its sole discretion, determines that it is no longer in our best interests or the best interests of our stockholders.

Vote Required for Proposal 2

The affirmative vote of the holders of (i) a majority of the outstanding shares of Common Stock and (ii) two-thirds of the Series C Preferred Stock, voting separately as a class, is required to approve Proposal 2.

Recommendation

Our Board recommends a vote FOR Proposal 2.

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PROPOSAL NO. 3 APPROVAL OF AN AMENDMENT TO THE CERTIFICATE OF DESIGNATIONS OF THE SERIES D PREFERRED STOCK (PROPOSAL 3)

Our Board recommends the approval of Proposal 3, which relates to an amendment to the Certificate of Designations of the Series D Preferred Stock. The proposed amendment will include a Company conversion option under which the Company shall have the option for 90 days following completion of our offer to exchange any and all shares of our outstanding Series D Preferred Stock for newly issued shares of our Common Stock (the Series D Exchange Offer) to cause all of the outstanding depository shares of Series D Preferred Stock to be automatically converted into that number of shares of the Company's Common Stock that are issuable at the conversion rate of 4.449 shares of Common Stock per \$25.00 liquidation preference, which is equivalent to a conversion price of approximately \$5.62 per share of Common Stock. The amendment will also include certain provisions related to the conversion procedures and the adjustment of the conversion rate under certain circumstances.

The form of the amendment to the Certificate of Designations of the Series D Preferred Stock relating to this Proposal 3 is attached to this Proxy Statement as Appendix C.

Series D Preferred Stock

As of the date of this Proxy Statement, we had 3,621,070 depository shares issued and outstanding each representing a 1/1000th ownership interest in a share of our Series D Preferred Stock. The liquidation preference is \$25,000 per share (\$25.00 per depository share) of Series D Preferred Stock, plus accumulated and unpaid dividends.

The Series D Preferred Stock ranks senior to our Common Stock and on parity with our Series B Preferred Stock and our Series C Preferred Stock with respect to the payment of dividends and distribution of assets upon liquidation, dissolution or winding up. The Series D Preferred Stock has no stated maturity and is not subject to mandatory redemption or any sinking fund and will remain outstanding indefinitely unless repurchased or redeemed by us or converted into our Common Stock in connection with certain changes of control.

At any time on or after August 19, 2018, we may, at our option, redeem the Series D Preferred Stock, in whole at any time or in part from time to time, for cash at a redemption price of \$25,000 per preferred share, plus all accumulated and unpaid dividends to, but not including, the date of redemption. We may redeem the Series D Preferred Stock following certain changes of control, if we do not exercise this option, then the holders of the Series D Preferred Stock have the option to convert the shares of preferred stock into up to 2,297.79 shares of our Common Stock per share of Series D Preferred Stock, subject to certain adjustments. If we exercise any of our redemption rights relating to shares of Series D Preferred Stock, the holders of Series D Preferred Stock will not have the conversion right described above with respect to the shares of Series D Preferred Stock called for redemption.

Holders of the Series D Preferred Stock have no voting rights except for limited voting rights if we fail to pay dividends for six or more quarterly periods (whether or not consecutive) and in certain other limited circumstances or as required by law.

Purpose and Effect of Approving the Amendment to the Certificate of Designations of the Series D Preferred Stock under Proposal 3

The primary purpose of amending the Certificate of Designations of the Series D Preferred Stock is to give the Company the flexibility to convert the outstanding shares of the Series D Preferred Stock into shares of the Company's Common Stock upon approval of a majority of the shares of Common Stock and 66.67% of the votes entitled to be cast by the holders of the Series D Preferred Stock. Providing the Company with the ability to automatically convert the Series D Preferred Stock into the Company's Common Stock will enable the Company to conserve cash by reducing its fixed dividend obligations and will increase the percentage of our capitalization that is Common Stock. It will also increase the likelihood of success of the Unsecured Notes Exchange Offers, as

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holders of the Existing Unsecured Notes are expected to be more willing to convert into Common Stock if all of the Series D Preferred Stock is converted into Common Stock as well. Upon conversion, any holders of our Series D Preferred Stock will forego any dividends currently in arrears. Currently, holders of our Series D Preferred Stock are entitled to receive cash dividend payments of 9.75% per annum if declared by the Board, which the Board does not currently expect to declare in the future.

If Proposal 3 is approved, and the Company's stockholders approve the Authorized Shares Proposal, we will file an amendment to the Certificate of Designations of the Series D Preferred Stock with the Office of the Secretary of State of the State of Delaware with respect to Proposal 3. If the Company chooses to exercise its conversion option by converting all of the outstanding shares of Series D Preferred into shares of the Company's Common Stock, the Series D Preferred Stock will no longer be outstanding.

The form of the amendment to our Certificate of Designations of the Series D Preferred Stock with respect to Proposal 3 is attached to this Proxy Statement as Appendix C.

Consequences If Proposal 3 Is Not Approved

We intend to commence an offer to exchange all of our outstanding shares of Series D Preferred Stock for shares of the Company's Common Stock. If Proposal 3 is not approved, the Company will proceed with the Series D Exchange Offer and any Series D Preferred Stock not tendered in the Series D Exchange Offer will remain outstanding.

Board Discretion

If Proposal 3 is approved, we intend to file a certificate of amendment to the Certificate of Designations of the Series D Preferred Stock with the Office of the Secretary of State of the State of Delaware with respect to Proposal 3. Such certificate will become effective upon filing. Our Board reserves the right, notwithstanding stockholder approval of any Proposal and without further action by our stockholders, to elect not to proceed with filing the amendment to the Certificate of Designations of the Series D Preferred Stock if, at any time prior to filing the amendment to the Certificate of Designations of the Series D Preferred Stock, our Board of Directors, in its sole discretion, determines that it is no longer in our best interests or the best interests of our stockholders.

Vote Required for Proposal 3

The affirmative vote of the holders of (i) a majority of the outstanding shares of Common Stock and (ii) two-thirds of the Series D Preferred Stock, voting separately as a class, is required to approve Proposal 3.

Recommendation

Our Board recommends a vote FOR Proposal 3.

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PROPOSAL NO. 4 APPROVAL OF AN AMENDMENT TO THE CERTIFICATE OF DESIGNATION OF THE SERIES E PREFERRED STOCK (PROPOSAL 4)

Our Board recommends the approval of Proposal 4, which relates to an amendment of the Certificate of Designation of the Series E Preferred Stock. The proposed amendment will include a Company conversion option under which the Company shall have the option for 90 days following the termination of our offer to exchange any and all shares of our outstanding Series E Preferred Stock for newly issued shares of our Common Stock (the Series E Exchange Offer) to cause all of the outstanding shares of Series E Preferred Stock to be automatically converted into that number of shares of the Company's Common Stock that are issuable at the conversion rate of 5.188 shares of Common Stock per \$10.00 liquidation preference, which is equivalent to a conversion price of approximately \$1.93 per share of Common Stock. The amendment will also include certain provisions related to the conversion procedures and the adjustment of the conversion rate under certain circumstances.

The higher exchange ratio applicable to the Series E Preferred Stock relative to the Series C Preferred Stock and Series D Preferred Stock reflects the original liquidation preferences of the Series B Preferred Stock, Series C Preferred Stock and Series D Preferred stock tendered at a discount in exchange for the Series E Preferred Stock on December 18, 2015.

The form of the amendment to the Certificate of Designation of the Series E Preferred Stock relating to this Proposal 4 is attached to this Proxy Statement as Appendix D.

Series E Preferred Stock

As of the date of this Proxy Statement, we had 3,104,073 depositary shares issued and outstanding each representing a 1/1000th ownership interest in a share of our Series E Preferred Stock. The liquidation preference is \$10,000 per share (\$10.00 per depositary share) of Series E Preferred Stock, plus accumulated and unpaid dividends. Dividends are payable quarterly in arrears beginning March 15, 2016. If we fail to pay dividends on our Series E Preferred Stock on any six dividend payment dates, whether or not consecutive, the dividend rate per annum will be increased by 1.0% until we have paid all dividends on our Series E Preferred Stock for all dividend periods up to and including the dividend payment date on which the accumulated and unpaid dividends are paid in full.

Each share is convertible at the option of the holder into our Common Stock at any time at an initial conversion rate of 5.0 shares of Common Stock per \$10.00 liquidation preference, which is equivalent to an initial conversion price of approximately \$2.00 per share of Common Stock. Upon conversion of the Series E Preferred Stock, we may choose to deliver the conversion value to holders in cash, shares of Common Stock, or a combination of cash and shares of Common Stock.

If a fundamental change occurs, holders may require us in specified circumstances to repurchase all or part of the Series E Preferred Stock. In addition, upon the occurrence of a fundamental change or specified corporate events, we will under certain circumstances increase the conversion rate by a number of additional shares of Common Stock. A fundamental change will be deemed to have occurred if any of the following occurs:

We consolidate or merge with or into any person or convey, transfer, sell or otherwise dispose of or lease all or substantially all of our assets to any person, or any person consolidates with or merges into us or with us, in any such event pursuant to a transaction in which our outstanding voting shares are changed into or exchanged for cash, securities, or other property; or

We are liquidated or dissolved or adopt a plan of liquidation or dissolution.

A fundamental change will not be deemed to have occurred if at least 90% of the consideration in the case of a merger or consolidation under the first clause above consists of Common Stock traded on a U.S. national securities exchange and the Series E Preferred Stock becomes convertible solely into such Common Stock.

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We have the option to cause the Series B Preferred Stock to be automatically converted into the number of shares of Common Stock that are issuable at the then-prevailing conversion rate, pursuant to a conversion option in favor of the Company. We may exercise our conversion right only if, for 20 trading days within any period of 30 consecutive trading days ending on the trading day before the announcement of our exercise of the option, the closing price of the Common Stock equals or exceeds 150% of the then-prevailing conversion price of the Series E Preferred Stock.

At any time on or after April 10, 2018, we may, at our option, redeem the Series E Preferred Stock, in whole at any time or in part from time to time, for cash at a redemption price of \$10,000 per preferred share, plus all accumulated and unpaid dividends to, but not including, the date of redemption. If we exercise our redemption rights relating to shares of Series E Preferred Stock, the holders of Series E Preferred Stock will not have the conversion right described above with respect to the shares of Series E Preferred Stock called for redemption.

Purpose and Effect of Approving the Amendment to the Certificate of Designation of the Series E Preferred Stock under Proposal 4

The primary purpose of amending the Certificate of Designation of the Series E Preferred Stock is to give the Company the flexibility to convert the outstanding shares of the Series E Preferred Stock into shares of the Company's Common Stock upon approval of a majority of the shares of Common Stock and 66.67% of the votes entitled to be cast by the holders of the Series E Preferred Stock. Providing the Company with the ability to automatically convert the Series E Preferred Stock into the Company's Common Stock will enable the Company to conserve cash by reducing its fixed dividend obligations and will increase the percentage of our capitalization that is Common Stock. It will also increase the likelihood of success of the Unsecured Notes Exchange Offers, as holders of the Existing Unsecured Notes are expected to be more willing to convert into Common Stock if all of the Series E Preferred Stock is converted into Common Stock as well. Upon conversion, any holders of our Series E Preferred Stock will forego any dividends currently in arrears. Currently, holders of our Series E Preferred Stock are entitled to receive cash dividend payments of 10.00% per annum if declared by the Company's, which the Board does not currently expect to declare in the future.

If Proposal 4 is approved, and the Company's stockholders approve the Authorized Shares Proposal, we will file an amendment to the Certificate of Designation of the Series E Preferred Stock with the Office of the Secretary of State of the State of Delaware with respect to Proposal 4. If the Company chooses to exercise its conversion option by converting all of the outstanding shares of Series E Preferred into shares of the Company's Common Stock, the Series E Preferred Stock will no longer be outstanding.

The form of the amendment to our Certificate of Designation of the Series E Preferred Stock with respect to Proposal 4 is attached to this Proxy Statement as Appendix D.

Consequences If Proposal 4 Is Not Approved

We intend to commence an offer to exchange all of our outstanding shares of Series E Preferred Stock for shares of the Company's Common Stock. If Proposal 4 is not approved, the Company intends to proceed with the Series E Exchange Offer and any Series E Preferred Stock not tendered in the Series E Exchange Offer will remain outstanding.

Board Discretion

If Proposal 4 is approved, we intend to file a certificate of amendment to the Certificate of Designation of the Series E Preferred Stock with the Office of the Secretary of State of the State of Delaware with respect to Proposal 4. Such certificate will become effective upon filing. Our Board reserves the right, notwithstanding stockholder approval of any Proposal and without further action by our stockholders, to elect not to proceed with filing the amendment to the Certificate of Designation of the Series E Preferred Stock if, at any time prior to filing the amendment to the Certificate of Designation of the Series E Preferred Stock, our Board of Directors, in its sole discretion, determines that it is no longer in our best interests or the best interests of our stockholders.

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Vote Required for Proposal 4

The affirmative vote of the holders of (i) a majority of the outstanding shares of Common Stock and (ii) two-thirds of the Series E Preferred Stock, voting separately as a class, is required to approve Proposal 4.

Recommendation

Our Board recommends a vote FOR Proposal 4.

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Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act) requires our directors and officers, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership on Form 3 and changes in ownership on Forms 4 and 5 with the SEC. Such officers, directors and 10% stockholders are also required to furnish us with copies of all Section 16(a) reports that they file.

To our knowledge, based solely on review of copies of such reports furnished to us and written representations that no other reports were required, all of our officers, directors and 10% stockholders complied with applicable reporting requirements of Section 16(a), with the exception of the reports on Form 4 for Walter G. Goodrich, Robert C. Turnham, Jr., Mark E. Ferchau and Michael J. Killelea in connection with the grant of phantom stock on March 10, 2015, which were not filed until March 19, 2015.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth as of February 5, 2016 (except as otherwise noted) certain information with respect to the amount of our Common Stock beneficially owned (as defined by the SEC's rules and regulations) by:

each person known to beneficially own 5% or more of the outstanding shares of the Company's Common Stock;

each of our named executive officers;

each of our directors; and

all current executive officers and directors as a group.

Title of Class	Name and Address of Beneficial Owner ⁽¹⁾	Amount and Nature of Beneficial Ownership	Percent of Class ⁽²⁾
Common Stock	Josiah T. Austin	316,642	*
Common Stock	Walter G. Goodrich ⁽³⁾	890,577	1.2
Common Stock	Robert C. Turnham, Jr. ⁽⁴⁾	582,153	*
Common Stock	Mark E. Ferchau	236,229	*
Common Stock	Arthur A. Seeligson	106,257	*
Common Stock	Michael J. Killelea	145,878	*
Common Stock	Gene Washington	75,511	*
Common Stock	Michael J. Perdue ⁽⁵⁾	100,000	*
Common Stock	Stephen M. Straty	66,667	*
Common Stock	Directors and Executive Officers as a Group (9 persons)	2,519,914	3.3
Series E Convertible Preferred Stock	Josiah T. Austin	13,912	*
Series E Convertible Preferred Stock	Walter G. Goodrich	8,000	*
Series E Convertible Preferred Stock	Robert C. Turnham, Jr.	11,600	*
Series E Convertible Preferred Stock	Gene Washington	2,650	*

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Series E Convertible Preferred Stock	Directors and Executive Officers as a Group	36,162	1.2
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* Less than 1%

- (1) Unless otherwise indicated, the address of each beneficial owner is c/o Goodrich Petroleum Corporation, 801 Louisiana, Suite 700, Houston, Texas 77002 and each beneficial owner has sole voting and dispositive power over such shares.

- (2) Based on the following respective total shares outstanding for each class of our equity securities as of February 5, 2016: (i) 76,914,375 shares of the Company's Common Stock; (ii) 1,483,441 shares of our Series B Preferred Stock; (iii) 3,060,412 depository shares, each representing a 1/1000th ownership interest in a share of our Series C Preferred Stock; (iv) 3,621,070 depository shares, each representing a 1/1000th ownership interest in a share of our Series D Preferred Stock; and (v) 3,104,073 depository shares, each representing a 1/1000th ownership interest in a share of our Series E Preferred Stock.

- (3) Includes the following securities: (a) 352,043 shares of Common Stock held by Walter G. Goodrich on his own behalf, (b) 100,000 shares of Common Stock held by Mr. Goodrich's wife, (c) 381,409 shares of Common Stock owned by Goodrich Energy, Inc., a corporation with respect to which Walter G. Goodrich is the majority stockholder and exercises sole voting and investment power with respect to the shares held by Goodrich Energy, Inc., and (d) 57,125 shares of Common Stock held by HGF Partnership; as the sole Managing Partner of HGF Partnership, Walter G. Goodrich has control of the day-to-day operations of the partnership and exclusive control of the maintenance of the partnership's assets, including the right to acquire and convey property on behalf of the partnership.

- (4) Includes the following securities: (a) 552,203 shares of Common Stock held by Mr. Turnham on his own behalf and (b) 29,950 shares of Common Stock held by Mr. Turnham's wife.

- (5) Includes the following securities: (a) 75,000 shares of Common Stock held by a family trust (which is held in a margin account) of which Mr. Perdue is the trustee, and (b) 25,000 shares held in a personal IRA.

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STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS

Pursuant to the SEC's rules and regulations, stockholders interested in submitting proposals for inclusion in our proxy materials and for presentation at our 2016 Annual Meeting of Stockholders may do so by following the procedures set forth in Rule 14a-8 under the Exchange Act. In general, stockholder proposals must have been received by our Secretary at Goodrich Petroleum Corporation, 801 Louisiana Street, Suite 700, Houston, Texas 77002 no later than January 6, 2016 to be eligible for inclusion in our proxy materials.

In addition to the SEC's rules and regulations described in the preceding paragraph, and as more specifically provided for in our Bylaws, a stockholder making a nomination for election to our Board or a proposal of business for our 2016 Annual Meeting of Stockholders must deliver proper notice to our Secretary at Goodrich Petroleum Corporation, 801 Louisiana Street, Suite 700, Houston, Texas 77002 at least 90 days prior to the anniversary date of the 2015 Annual Meeting. As a result, for a stockholder nomination for election to our Board or a proposal of business to be considered at the 2016 Annual Meeting of Stockholders, it must be properly submitted to our Secretary no later than February 29, 2016.

For each individual that a stockholder proposes to nominate as a director, the stockholder must provide notice to our Secretary setting forth all of the information required in solicitations of proxies under the SEC's rules and regulations and any other law. For any other business that a stockholder desires to bring before our 2016 Annual Meeting of Stockholders, the stockholder must provide a brief description of the business, the reasons for conducting the business and any material interest in the business of the stockholder. If a stockholder provides notice for either event described above, the notice must include the following information:

the name and address of the stockholder as it appears on our books;

the class or series and the number of shares of our stock that are owned beneficially and of record by the stockholder; and

a representation that the stockholder intends to appear in person or by proxy at our 2016 Annual Meeting of Stockholders to bring the proposed business before the meeting.

Detailed information for submitting stockholder proposals is available upon written request to our Secretary at Goodrich Petroleum Corporation, 801 Louisiana Street, Suite 700, Houston, Texas 77002. These requirements are separate from, and in addition to, the SEC's rules and regulations that a stockholder must meet in order to have a stockholder proposal included in our Proxy Statement for the 2016 Annual Meeting of Stockholders.

OTHER MATTERS

Our Board does not know of any other matters that are to be presented for action at the Special Meeting. However, if any other matters properly come before the Special Meeting or any adjournment(s) thereof, it is intended that the enclosed proxy will be voted in accordance with the judgment of the persons voting the proxy.

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ADDITIONAL INFORMATION ABOUT US

From time to time, we receive calls from stockholders asking how to obtain additional information about us. If you would like to receive information about us, you may use one of the following methods:

Our main Internet site, located at *www.goodrichpetroleum.com*. A link to our investor relations site can be found at *www.goodrichpetroleum.com/investor.relations*. Our investor relations site contains, among other things, management presentations, financial information, stock quotes and links to our filings with the SEC.

You may read and copy the Proxy Statement at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain further information about the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. Our filings are also available to the public on the SEC's website located at *www.sec.gov*.

To have information such as our latest quarterly earnings release, Annual Report on Form 10-K or Quarterly Reports on Form 10-Q mailed to you, please contact investor relations at (713) 780-9494 or via our website at *www.goodrichpetroleum.com/investor.relations*.

INCORPORATION BY REFERENCE

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 filed on March 2, 2015, containing audited consolidated financial statements for the years ended December 31, 2014, December 31, 2013 and December 31, 2012, and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015 filed on November 5, 2015, containing unaudited consolidated financial statements for the nine months ended September 30, 2015, are being delivered to our stockholders of record with this Proxy Statement. Upon written request, we will send to stockholders of record, without charge, additional copies of our Annual Report on Form 10-K for the year ended December 31, 2014 and Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015 (each without exhibits) and additional copies of this Proxy Statement, each of which we have filed with the SEC. All written requests should be directed to the Corporate Secretary of our Company at our address set forth below.

Goodrich Petroleum Corporation

Attention: Corporate Secretary

801 Louisiana, Suite 700

Houston, Texas 77002

(713) 780-9494

Important Notice Regarding the Availability of Proxy Materials

For the Special Meeting of Stockholders to be Held on March 11, 2016

The Notice of Special Meeting of Stockholders, our Proxy Statement, our 2014 Annual Report and September 30, 2015 Form 10-Q are available at

<http://www.proxydocs.com/GDP>

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in or incorporated by reference into this Proxy Statement, or filings with the SEC and our public releases contain forward looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Exchange Act. These forward-looking statements include information concerning future production and reserves, schedules, plans, timing of development, contributions from oil and natural gas properties and marketing and midstream activities, and also include those statements accompanied by or that otherwise include the words may, could, believes, expects, anticipates, intends, estimates, projects, predicts, target, goal, plans, objective, pot expressions or variations on such expressions that convey the uncertainty of future events or outcomes. For such statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, including Section 27A of the Securities Act and Section 21E of the Exchange Act. We have based these forward-looking statements on our current expectations and assumptions about future events. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

These forward-looking statements involve risk and uncertainties. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following risk and uncertainties:

failure to consummate the Recapitalization Plan or otherwise address our near term liquidity needs, including making the March 2016 interest payments to service the Company's secured and unsecured debt obligations, at which time we may need to seek protection under Chapter 11 of the U.S. Bankruptcy Code;

the expectation that holders of our unsecured notes, shares of preferred stock and shares of our common stock would likely receive little or no consideration for their Existing Unsecured Notes if we seek relief under the U.S. Bankruptcy Code;

our ability to comply with the financial covenants in our debt instruments and our available liquidity even if the Recapitalization Plan described in this Offer to Exchange is successfully implemented, particularly if oil and natural gas prices remain depressed;

planned capital expenditures;

future drilling activity;

our financial condition;

future cash flows and borrowings;

sources of funding for exploration and development;

the market prices of oil and natural gas;

uncertainties about the estimated quantities of oil and natural gas reserves;

financial market conditions and availability of capital;

production;

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hedging arrangements;

litigation matters;

pursuit of potential future acquisition opportunities;

general economic conditions, either nationally or in the jurisdictions in which we are doing business;

legislative or regulatory changes, including retroactive royalty or production tax regimes, hydraulic-fracturing regulation, drilling and permitting regulations, derivatives reform, changes in state and federal corporate taxes, environmental regulation, environmental risks and liability under federal, state and foreign and local environmental laws and regulations;

the creditworthiness of our financial counterparties and operation partners;

the securities, capital or credit markets;

our ability to repay our debt;

our limited control over non-operated properties;

our ability to obtain funding to meet future capital needs due to a sustained depression of oil and natural gas prices;

our ability to replace reserves, maintain production or maintain interests in our properties;

our ability to sustain production at present levels;

the potential we may incur substantial impairment write-downs; and

other factors discussed in Risk Factors and in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, our Annual Report on Form 10-K for the year ended December 31, 2014, and in our other public filings, press releases and discussions with our management.

Any of these factors and other factors contained in this Proxy Statement or any documents incorporated by reference could cause our actual results to differ materially from the results implied by these or any other forward-looking statements made by us or on our behalf. Although we believe our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved. Our assumptions about future events may prove to be inaccurate. We caution you that the forward-looking statements contained in this Proxy Statement are not guarantees of future performance, and we cannot assure you that those statements will be realized or the forward-looking events and circumstances will occur. All forward-looking statements

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speak only as of the date of this Proxy Statement.

We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, except as required by law. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

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APPENDIX A

CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF DESIGNATION OF

5.375% SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK OF

GOODRICH PETROLEUM CORPORATION

, 2016

Pursuant to Section 242 of the Delaware General Corporation Law (DGCL), Goodrich Petroleum Corporation, a corporation organized and existing under the laws of the State of Delaware (the Corporation), does hereby certify as follows:

FIRST: Section 2 of the Certificate of Designation of 5.375% Series B Cumulative Convertible Preferred Stock of the Corporation (the Certificate of Designation) is hereby amended by adding the following defined terms:

Company Recapitalization Conversion Date shall have the meaning set forth in Section 21(b) of this Certificate.

Company Recapitalization Conversion Option shall have the meaning set forth in Section 21(a) of this Certificate.

Recapitalization Conversion Notice shall have the meaning set forth in Section 21(b) of this Certificate.

Recapitalization Conversion Period shall have the meaning set forth in Section 21(b) of this Certificate.

Recapitalization Conversion Rate shall have the meaning set forth in Section 21(a) of this Certificate.

Recapitalization Conversion Rate shall mean an amount equal to the product of the applicable Recapitalization Conversion Rate (as adjusted) multiplied by the number of Series B Preferred Shares.

Series B Exchange Offer shall mean the Corporation's offer to exchange any and all outstanding Series B Preferred Shares for newly issued shares of the Corporation's Common Stock, upon the terms and subject to the conditions set forth in the offer to exchange (as supplemented or amended from time to time) filed on Schedule TO with the Commission on January 26, 2016, as amended and restated on February 5, 2016.

SECOND: Section 2 of the Certificate of Designation is hereby amended by amending and restating the following definitions in their entirety:

Closing Sale Price shall mean, with regard to shares of the Common Stock, on any date, the closing sale price per share (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) on such date as reported on the principal United States national or regional securities exchange on which shares of the Common Stock are traded or, if shares of the Common Stock are not listed on a United States national or regional securities exchange, as reported by NASDAQ, or, if shares of the Common Stock are not reported by NASDAQ, as reported on the OTC Markets marketplace, or in the absence of such a quotation, the Company shall determine the closing sale price, in good faith, on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

Trading Day shall mean a day during which trading in securities generally occurs on the New York Stock Exchange or, if the Common Stock is not listed on the New York Stock Exchange, on the principal other United States national or regional securities exchange on which the Common Stock is then listed or, if the

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Common Stock is not listed on a United States national or regional securities exchange, on NASDAQ or, if the Common Stock is not quoted on NASDAQ, on OTC Markets marketplace or, if the Common Stock is not quoted on the OTC Markets marketplace, on the principal other market on which the Common Stock is then traded.

THIRD: The Certificate of Designation is hereby amended by adding the following sections to the end thereof:

Section 21. Company Recapitalization Conversion Option.

- (a) On a date that is no later than ninety (90) days following the closing of the Series B Exchange Offer, the Corporation shall have the option to cause all of the outstanding Series B Preferred Shares to be automatically converted into that number of fully paid and non-assessable shares of Common Stock initially at a conversion rate (the Recapitalization Conversion Rate) of 8.899 shares of Common Stock per \$50.00 liquidation preference, which is equivalent to a conversion price of approximately \$5.62 per share of Common Stock (subject to adjustment in accordance with the provisions of Section 22 of this Certificate) (Company Recapitalization Conversion Option).
- (b) To exercise the Company Recapitalization Conversion Option right set forth in this Section 21, the Corporation must issue a press release for publication through the Dow Jones News Service or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public) announcing the Corporation's intention to exercise such a Company Recapitalization Conversion Option. The Corporation shall also give notice by mail or by publication to the Series B Preferred Holders (the Recapitalization Conversion Notice) (not more than five (5) Trading Days after the date of the press release) of the Company Recapitalization Conversion Option announcing the Corporation's intention to exercise the Company Recapitalization Conversion Option. The Corporation shall select a conversion date to exercise the Company Recapitalization Conversion Option (the Company Recapitalization Conversion Date), which date shall be no more than five (5) days after the date on which the Corporation issues such press release and no more than an aggregate of ninety (90) days following closing of the Series B Exchange Offer (the Recapitalization Conversion Period). In addition to any information required by applicable law or regulation, the press release and Recapitalization Conversion Notice shall state, as appropriate: (i) the Company Recapitalization Conversion Date; (ii) the number of shares of Common Stock to be issued upon conversion of each Series B Preferred Share; (iii) the number of Series B Preferred Shares to be converted; and (iv) that dividends on the Series B Preferred Shares to be converted will cease to accumulate on the Company Recapitalization Conversion Date.
- (c) Upon exercise of the Company Recapitalization Conversion Option and surrender of the Series B Preferred Shares by a holder thereof, the Corporation shall issue and shall deliver or cause to be issued and delivered to such holder, or to such other person on such holder's written order, (a) one or more certificates representing the number of validly issued, fully paid and non-assessable full shares of Common Stock to which a holder of the Series B Preferred Shares being converted, or a holder's transferee, shall be entitled and (b) any fractional interest in respect of a share of Common Stock arising upon such conversion shall be settled as provided in Section 21(g).
- (d) Each conversion shall be deemed to have been made at the close of business on the Company Recapitalization Conversion Date so that the rights of the holder thereof as to the Series B Preferred Shares being converted will cease except for the right to receive the Recapitalization Conversion Value, and, if applicable, the Person entitled to receive shares of Common Stock shall be treated for all purposes as having become the record holder of those shares of Common Stock at that time.
- (e) In lieu of the foregoing procedures, if the Series B Preferred Shares are held in global form, each holder of beneficial interests in the Global Preferred Stock must comply with the procedures of DTC to convert such holder's beneficial interests in respect of the Series B Preferred Shares evidenced by the Global Preferred Stock.

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- (f) If the Corporation exercises the Company Recapitalization Conversion Option, no dividends (including, for the avoidance of doubt, any accumulated and unpaid dividends, whether or not in arrears as of the Company Recapitalization Conversion Date) shall be payable to the holder of the converted shares.
- (g) In connection with the conversion of any Series B Preferred Shares, no fractional shares of Common Stock shall be issued, but the Corporation shall pay a cash amount in lieu of issuing any fractional share in an amount equal to the fractional interest multiplied by the Closing Sale Price on the Trading Day immediately prior to the Company Recapitalization Conversion Date. If more than one Series B Preferred Share will be surrendered for conversion by the same holder at the same time, the number of full shares of Common Stock issuable on conversion of those Series B Preferred Shares shall be computed on the basis of the total number of Series B Preferred Shares so surrendered.

Section 22. Adjustment of Recapitalization Conversion Rate.

- (a) In case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series B Preferred Shares are outstanding, issue Common Stock as a dividend or distribution to all or substantially all holders of Common Stock, then the Recapitalization Conversion Rate in effect immediately prior to the close of business on the Common Stock Record Date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be increased by multiplying such Recapitalization Conversion Rate by a fraction:
 - (i) the numerator of which shall be the sum of the total number of shares of Common Stock outstanding at the close of business on such Common Stock Record Date and the total number of shares of Common Stock constituting such dividend or other distribution; and
 - (ii) the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on such Common Stock Record Date.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date fixed for such determination. If any dividend or distribution of the type described in this Section 22(a) is declared but not so paid or made, the Recapitalization Conversion Rate shall again be adjusted to the Recapitalization Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

- (b) In case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series B Preferred Shares are outstanding, subdivide, reclassify or split its outstanding shares of Common Stock into a greater number of shares of Common Stock, the Recapitalization Conversion Rate in effect immediately prior to the opening of business on the day following the day upon which such subdivision, reclassification or split becomes effective shall be proportionately increased, and, conversely, in case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any of the Series B Preferred Shares are outstanding, combine or reclassify its outstanding shares of Common Stock into a smaller number of shares of Common Stock, the Recapitalization Conversion Rate in effect immediately prior to the opening of business on the day following the day upon which such combination or reclassification becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately prior to the opening of business on the day following the day upon which such subdivision, reclassification, split or combination becomes effective, so that the holder of any Series B Preferred Share thereafter surrendered for conversion shall be entitled to receive that number of shares of Common Stock which it would have received had such Series B Preferred Share been converted immediately prior to the happening of such event adjusted as a result of such event.
- (c)

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In case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series B Preferred Shares are outstanding, issue rights or warrants for a period expiring within sixty (60) days to all or substantially all holders of its outstanding Common Stock

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entitling them to subscribe for or purchase Common Stock (or securities convertible into or exchangeable or exercisable for Common Stock), at a price per share of Common Stock (or having a conversion, exchange or exercise price per share of Common Stock) less than the Closing Sale Price of the Common Stock on the Trading Day immediately preceding the date of the announcement by public notice of such issuance or distribution (treating the conversion, exchange or exercise price per share of Common Stock of the securities convertible, exchangeable or exercisable into Common Stock as equal to (x) the sum of (i) the price for a unit of the security convertible into or exchangeable or exercisable for Common Stock and (ii) any additional consideration initially payable upon the conversion of or exchange or exercise for such security into Common Stock divided by (y) the number of shares of Common Stock initially underlying such convertible, exchangeable or exercisable security), then the Recapitalization Conversion Rate shall be increased by multiplying the Recapitalization Conversion Rate in effect at the opening of business on the date after such date of announcement by a fraction:

- (i) the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date of announcement, plus the total number of additional shares of Common Stock so offered for subscription or purchase (or into which the convertible, exchangeable or exercisable securities so offered are convertible, exchangeable or exercisable); and
- (ii) the denominator of which shall be the number of shares of Common Stock outstanding on the close of business on the date of announcement, plus the number of shares of Common Stock (or convertible, exchangeable or exercisable securities) which the aggregate offering price of the total number of shares of Common Stock (or convertible, exchangeable or exercisable securities) so offered for subscription or purchase (or the aggregate conversion, exchange or exercise price of the convertible, exchangeable or exercisable securities so offered) would purchase at such Closing Sale Price of the Common Stock.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such determination. To the extent that shares of Common Stock (or securities convertible, exchangeable or exercisable into shares of Common Stock) are not delivered pursuant to such rights or warrants, upon the expiration or termination of such rights or warrants, the Recapitalization Conversion Rate shall be readjusted to the Recapitalization Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of shares of Common Stock (or securities convertible, exchangeable or exercisable into shares of Common Stock) actually delivered. In the event that such rights or warrants are not so issued, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if the Common Stock Record Date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such Closing Sale Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants, the value of such consideration if other than cash, to be determined by the Board of Directors.

- (d) (1) In case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series B Preferred Shares are outstanding, by dividend or otherwise, distribute to all or substantially all holders of its outstanding shares of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Corporation is the continuing Corporation and the shares of Common Stock are not changed or exchanged), any Distributed Assets then, in each such case, subject to paragraphs (4) and (5) of this Section 22(d), the Recapitalization Conversion Rate shall be increased by multiplying the Recapitalization Conversion Rate in effect immediately prior to the close of business on the Common Stock Record Date with respect to such distribution by a fraction:

- (i) the numerator of which shall be the Current Market Price; and

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- (ii) the denominator of which shall be such Current Market Price, less the Fair Market Value on such date of the portion of the Distributed Assets so distributed applicable to one share of Common Stock (determined on the basis of the number of shares of Common Stock outstanding on such Record Date) on such date.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such distribution. In the event that such dividend or distribution is not so paid or made, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

(2) If the Board of Directors determines the Fair Market Value of any distribution for purposes of this Section 22(d) by reference to the actual or when issued trading market for any Distributed Assets comprising all or part of such distribution, it must in doing so consider the prices in such market over the Reference Period used in computing the Current Market Price pursuant to this Section 22(d) to the extent possible, unless the Board of Directors determines in good faith that determining the Fair Market Value during the Reference Period would not be in the best interest of the holders of the Series B Preferred Shares.

(3) In the event any such distribution consists of a Spin Off, the Fair Market Value of the securities to be distributed shall equal the average of the Closing Sale Prices of such securities for the five consecutive Trading Days commencing on and including the sixth Trading Day of those securities after the effectiveness of the Spin Off, and the Current Market Price shall be measured for the same period. In the event, however, that an underwritten initial public offering of the securities in the Spin Off occurs simultaneously with the Spin Off, Fair Market Value of the securities distributed in the Spin Off shall mean the initial public offering price of such securities and the Current Market Price shall mean the Closing Sale Price for the Common Stock on the same Trading Day.

(4) Rights or warrants distributed by the Corporation to all holders of the outstanding shares of Common Stock entitling them to subscribe for or purchase equity securities of the Corporation (either initially or under certain circumstances), which rights or warrants, until the occurrence of a Trigger Event, (x) are deemed to be transferred with such shares of Common Stock, (y) are not exercisable and (z) are also issued in respect of future issuances of shares of Common Stock shall be deemed not to have been distributed for purposes of this Section 22(d) (and no adjustment to the Recapitalization Conversion Rate under this Section 22(d) shall be required) until the occurrence of the earliest Trigger Event. If such right or warrant is subject to subsequent events, upon the occurrence of which such right or warrant shall become exercisable to purchase different Distributed Assets, or entitle the holder to purchase a different number or amount of the foregoing Distributed Assets or to purchase any of the foregoing Distributed Assets at a different purchase price, then the occurrence of each such event shall be deemed to be the date of issuance and Common Stock Record Date with respect to a new right or warrant (and a termination or expiration of the existing right or warrant without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto, that resulted in an adjustment to the Recapitalization Conversion Rate under this Section 22(d):

- (i) in the case of any such rights or warrants which shall all have been repurchased without exercise by any holders thereof, the Recapitalization Conversion Rate shall be readjusted upon such final repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share repurchase price received by a holder of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such repurchase; and
- (ii) in the case of such rights or warrants which shall have expired or been terminated without exercise, the Recapitalization Conversion Rate shall be readjusted as if such rights and warrants had never been issued.

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(5) For purposes of this Section 22(d) and Section 22(a), Section 22(b) and Section 22(c), any dividend or distribution to which this Section 22(d) is applicable that also includes (x) shares of Common Stock, (y) a subdivision, split or combination of shares of Common Stock to which Section 22(b) applies or (z) rights or warrants to subscribe for or purchase shares of Common Stock to which Section 22(c) applies (or any combination thereof), shall be deemed instead to be:

- (i) a dividend or distribution of the evidences of indebtedness, assets, shares of capital stock, rights or warrants, other than such shares of Common Stock, such subdivision, split or combination or such rights or warrants to which Section 22(a), Section 22(b) and Section 22(c) apply, respectively (and any Recapitalization Conversion Rate adjustment required by this Section 22(d) with respect to such dividend or distribution shall then be made), immediately followed by
- (ii) a dividend or distribution of such shares of Common Stock, such subdivision, split or combination or such rights or warrants (and any further Recapitalization Conversion Rate increase required by Section 22(a), Section 22(b) and Section 22(c) with respect to such dividend or distribution shall then be made), except:
 - (A) the Common Stock Record Date of such dividend or distribution shall be substituted as (x) the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, Common Stock Record Date fixed for such determinations and Common Stock Record Date within the meaning of Section 22(a), (y) the day upon which such subdivision or split becomes effective or the day upon which such combination becomes effective (as applicable) within the meaning of Section 22(b), and (z) as the Common Stock Record Date fixed for the determination of the stockholders entitled to receive such rights or warrants and such Common Stock Record Date within the meaning of Section 22(c); and
 - (B) any reduction or increase in the number of shares of Common Stock resulting from such subdivision, split or combination (as applicable) shall be disregarded in connection with such dividend or distribution.
- (e) In case the Corporation shall, at any time or from time to time while any Series B Preferred Shares are outstanding, by dividend or otherwise, distribute to all or substantially all holders of its outstanding shares of Common Stock during any quarterly fiscal period, cash (including any quarterly cash dividends, but excluding any cash that is distributed upon a reclassification, change, merger, consolidation, sale or other disposition to which Section 8 applies or as part of a distribution referred to in Section 22(d)) then, and in each case, immediately after the close of business on such date, the Recapitalization Conversion Rate shall be adjusted based on the following formula:

$$RCR1 = RCRo \times (SP/(SP-DI))$$
 where,

- (ii) RCRo = the Recapitalization Conversion Rate in effect immediately prior to the Common Stock Record Date for such distribution;
- (iii) RCR1 = the Recapitalization Conversion Rate in effect immediately after the Common Stock Record Date for such distribution;
- (iv) SP = the average of the Closing Sale Price per share of Common Stock over the ten (10) consecutive Trading Day period prior to the Trading Day immediately preceding the earlier of the Common Stock Record Date or

the ex-dividend date of such cash excess dividend or cash excess distribution; and

- (v) DI = the amount in cash per share the Corporation distributes to holders of shares of Common Stock.

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Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such distribution. In the event that such distribution is not so made, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such distribution had not been declared.

- (f) In case the Corporation or any of its subsidiaries or employee benefit plans of the Corporation funded with shares of the Common Stock make purchases of Common Stock pursuant to a tender offer or exchange offer that involves an aggregate consideration that exceeds ten percent (10%) of the aggregate market value of the Common Stock on the Expiration Time, the Recapitalization Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Recapitalization Conversion Rate in effect immediately prior to the close of business on the date of the Expiration Time by a fraction:
- (i) the numerator of which shall be the sum of (x) the product of (i) the number of shares of Common Stock outstanding (excluding any tendered or exchanged shares) at the Expiration Time and (ii) the Current Market Price of the Common Stock at the Expiration Time, and (y) the Fair Market Value of the aggregate consideration payable to stockholders based on acceptance (up to any maximum specified in the terms of the tender offer or exchange offer) of all shares validly tendered and not withdrawn as of the Expiration Time; and
 - (ii) the denominator of which shall be the product of the number of shares of Common Stock outstanding (including any tendered or exchanged shares) at the Expiration Time and the Current Market Price of the Common Stock at the Expiration Time.

Such increase (if any) shall become effective immediately prior to the opening of business on the day following the Expiration Time. In the event that the Corporation or any other Person is obligated to purchase shares pursuant to any such tender offer or exchange offer, but the Corporation or such other Person does not effect any such purchases or all or a portion of such purchases are rescinded, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such (or such portion of the) tender offer or exchange offer had not been made. If the application of this Section 22(f) to any tender offer or exchange offer would result in a decrease in the Recapitalization Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this Section 22(f).

- (g) For purposes of Section 22 of this Certificate, the following terms shall have the meanings indicated:
 Current Market Price on any date means the average of the daily Closing Sale Prices per share of Common Stock for the ten (10) consecutive Trading Days immediately prior to such date; provided, however, that if:

- (i) the ex date (as hereinafter defined) for any event (other than the issuance or distribution requiring such computation of Current Market Price) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 22(a), Section 22(b), Section 22(c), Section 22(d), Section 22(e) or Section 22(f) occurs during such ten consecutive Trading Days, the Closing Sale Price for each Trading Day prior to the ex date for such other event shall be adjusted by multiplying such Closing Sale Price by the same fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event;
- (ii) the ex date for any event (other than the issuance or distribution requiring such computation of Current Market Price) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 22(a), Section 22(b), Section 22(c), Section 22(d), Section 22(e) or Section 22(f) occurs on or after the ex date for the issuance or distribution requiring such computation and prior to the day in question, the Closing Sale

Price for each Trading Day on and

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after the ex date for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event; and

- (iii) the ex date for the issuance or distribution requiring such computation is prior to the day in question, after taking into account any adjustment required pursuant to clause (i) or (ii) of this proviso, the Closing Sale Price for each Trading Day on or after such ex date shall be adjusted by adding thereto the amount of any cash and the Fair Market Value (as determined by the Board of Directors in a manner consistent with any determination of such value for purposes of Section 22(d), Section 22(e) or Section 22(f)) of the evidences of indebtedness, shares of capital stock or assets being distributed applicable to one share of Common Stock as of the close of business on the day before such ex date .

For purposes of any computation under this Section 22, if the ex date for any event (other than the tender offer requiring such computation) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 22(a), Section 22(b), Section 22(c), Section 22(d), Section 22(e) or Section 22(f) occurs on or after the Expiration Time for the tender or exchange offer requiring such computation and prior to the day in question, the Closing Sale Price for each Trading Day on and after the ex date for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event. For purposes of this paragraph, the term ex date , when used:

- (A) with respect to any issuance or distribution, means the first date on which the Common Stock trade regular way on the relevant exchange or in the relevant market from which the Closing Sale Price was obtained without the right to receive such issuance or distribution;
- (B) with respect to any subdivision, split or combination of Common Stock, means the first date on which the Common Stock trade regular way on such exchange or in such market after the time at which such subdivision, split or combination becomes effective; and
- (C) with respect to any tender offer or exchange offer, means the first date on which the Common Stock trade regular way on such exchange or in such market after the Expiration Time of such offer.

Notwithstanding the foregoing, whenever successive adjustments to the Recapitalization Conversion Rate are called for pursuant to this Section 22, such adjustments shall be made to the Current Market Price as may be necessary or appropriate to effectuate the intent of this Section 22 and to avoid unjust or inequitable results as determined in good faith by the Board of Directors.

Fair Market Value means the amount which a willing buyer would pay a willing seller in an arm's length transaction (as determined by the Board of Directors, whose determination shall be made in good faith and, absent manifest error, shall be final and binding on holders of the Series B Preferred Shares).

Common Stock Record Date means, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

- (h) The Corporation shall be entitled to make such additional increases in the Recapitalization Conversion Rate, in addition to those required by Section 22(a), Section 22(b), Section 22(c), Section 22(d),

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Section 22(e) or Section 22(f), if the Board of Directors determines that it is advisable, in order that any dividend or distribution of Common Stock, any subdivision, reclassification or combination of Common Stock or any issuance of rights or warrants referred to above, or any event treated as such for United States federal income tax purposes, shall not be taxable to the holders of Common Stock for United States federal income tax purposes or to diminish any such tax.

- (i) To the extent permitted by law, the Corporation may, from time to time, increase the Recapitalization Conversion Rate for a period of at least twenty (20) Trading Days if the Board of Directors determines that such an increase would be in the Corporation's best interests. Any such determination by Board of Directors shall be conclusive. The Corporation shall give holders of Series B Preferred Shares at least fifteen (15) Trading Days' notice of any such increase in the Recapitalization Conversion Rate.
- (j) The Corporation shall not be required to make an adjustment in the Recapitalization Conversion Rate unless the adjustment would require a change of at least one percent (1.0%) in the Recapitalization Conversion Rate. However, any adjustments that are not required to be made because they would have required an increase or decrease of less than one percent (1.0%) shall be carried forward and taken into account in any subsequent adjustment of the Recapitalization Conversion Rate or in connection with any conversion of the Series B Preferred Stock. Except as described in this Section 22, the Corporation shall not adjust the Recapitalization Conversion Rate for any issuance of our shares of Common Stock or any securities convertible into or exchangeable or exercisable for its shares of Common Stock or rights to purchase its shares of Common Stock or such convertible, exchangeable or exercisable securities.
- (k) In the event that at any time, as a result of an adjustment made pursuant to this Section 22, the holder of any Series B Preferred Shares thereafter surrendered for conversion shall become entitled to receive any shares of Capital Stock of the Corporation other than Common Stock into which the Series B Preferred Shares originally were convertible, the Recapitalization Conversion Rate of such other shares so receivable upon conversion of any such Series B Preferred Share shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in subparagraphs (a) through (l) of this Section 22, and any other applicable provisions of this Certificate with respect to the Common Stock shall apply on like or similar terms to any such other shares.
- (l) To the extent the Corporation has a rights plan in effect upon conversion of the Series B Preferred Shares for shares of Common Stock, the holder will receive, in addition to the shares of Common Stock, the rights under the rights plan unless the rights have separated from the shares of Common Stock prior to the time of conversion, in which case the Recapitalization Conversion Rate shall be adjusted at the time of separation as if the Corporation made a distribution referred to in Section 22(d) above (without regard to any of the exceptions there).

FOURTH: This Certificate of Amendment to Certificate of Designation was duly adopted by the Corporation's directors and stockholders in accordance with the applicable provisions of Sections 242 of the DGCL.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment to Certificate of Designation on the date first written above.

GOODRICH PETROLEUM

CORPORATION

By:

Name: Michael J. Killelea

Title: Senior Vice President, General Counsel
and Corporate Secretary

SIGNATURE PAGE TO CERTIFICATE OF AMENDMENT TO

CERTIFICATE OF DESIGNATION OF

5.375% SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK OF

GOODRICH PETROLEUM CORPORATION

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APPENDIX B

CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF DESIGNATIONS OF

10.00% SERIES C CUMULATIVE PREFERRED STOCK OF

GOODRICH PETROLEUM CORPORATION

, 2016

Pursuant to Section 242 of the Delaware General Corporation Law (*DGCL*), Goodrich Petroleum Corporation, a corporation organized and existing under the laws of the State of Delaware (the Corporation), does hereby certify as follows:

FIRST: Article THIRD of the Certificate of Designations of 10.00% Series C Cumulative Preferred Stock of the Corporation (the Certificate of Designations) is hereby amended by adding the following defined terms to Section 1:

Capital Stock means any equity security of the Company, including the Common Stock and the Preferred Stock of the Company.

Closing Sale Price means, with regard to shares of the Common Stock, on any date, the closing sale price per share (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) on such date as reported on the principal United States national or regional securities exchange on which shares of the Common Stock are traded or, if shares of the Common Stock are not listed on a United States national or regional securities exchange, as reported by NASDAQ, or, if shares of the Common Stock are not reported by NASDAQ, as reported on the OTC Markets marketplace, or in the absence of such a quotation, the Company shall determine the closing sale price, in good faith, on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

Common Stock means the common stock, par value \$0.20 per share, of the Company.

Common Stock Record Date has the meaning set forth in Section 11(g).

Company Recapitalization Conversion Date has the meaning set forth in Section 10(b) of this Series C Certificate of Designations.

Company Recapitalization Conversion Option has the meaning set forth in Section 10(a) of this Series C Certificate of Designations.

Distributed Assets has the meaning set forth in Section 11(d)(1) of this Series C Certificate of Designations.

Expiration Time has the meaning set forth in Section 11(f) of this Series C Certificate of Designations.

Global Preferred Stock means fully registered global certificates with a global securities legend and a restricted securities legend.

Person shall mean any individual, corporation, general or limited partnership, limited liability partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization or government or any agency or political subdivision thereof.

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Record Date shall mean the March 1, June 1, September 1 or December 1 next preceding the applicable Dividend Payment Date.

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Reference Period has the meaning set forth in Section 11(d)(2) of this Series C Certificate of Designations.

Recapitalization Conversion Notice has the meaning set forth in Section 10(b) of this Series C Certificate of Designations.

Recapitalization Conversion Period has the meaning set forth in Section 10(b) of this Series C Certificate of Designations.

Recapitalization Conversion Rate has the meaning set forth in Section 10(a) of this Series C Certificate of Designations.

Recapitalization Conversion Value means an amount equal to the product of the applicable Recapitalization Conversion Rate (as adjusted) multiplied by the number of Series C Preferred Shares.

Series C Exchange Offer means the Company's offer to exchange any and all outstanding Series C Preferred Shares for newly issued shares of the Company's Common Stock, upon the terms and subject to the conditions set forth in the offer to exchange (as supplemented or amended from time to time) filed on Schedule TO with the Securities and Exchange Commission on January 26, 2016, as amended and restated on February 5, 2016.

Series C Preferred Shares means the depositary shares each representing a ~~1/1000~~ ownership interest in a share of 10.00% Series C Cumulative Preferred Stock, par value \$1.00 per share, of the Company.

Spin Off has the meaning set forth in Section 11(d)(3) of this Series C Certificate of Designations.

Trading Day shall mean a day during which trading in securities generally occurs on the New York Stock Exchange or, if the Common Stock is not listed on the New York Stock Exchange, on the principal other United States national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not listed on a United States national or regional securities exchange, on NASDAQ or, if the Common Stock is not quoted on NASDAQ, on OTC Markets marketplace or, if the Common Stock is not quoted on the OTC Markets marketplace, on the principal other market on which the Common Stock is then traded.

Trigger Event has the meaning set forth in Section 11(d)(4) of this Series C Certificate of Designations.

SECOND: Article THIRD of the Certificate of Designations is hereby amended by adding the following sections to the end thereof:

10. Company Recapitalization Conversion Option.

- (a) On a date that is no later than ninety (90) days following the closing of the Series C Exchange Offer, the Company shall have the option to cause all of the outstanding Series C Preferred Shares to be automatically converted into that number of fully paid and non-assessable shares of Common Stock initially at a conversion rate (the ***Recapitalization Conversion Rate***) of 4.449 shares of Common Stock per \$25.00 liquidation preference, which is equivalent to a conversion price of approximately \$5.62 per share of Common Stock (subject to adjustment in accordance with the provisions of Section 11 of this Series C Certificate of Designations) (***Company Recapitalization Conversion Option***).
- (b) To exercise the Company Recapitalization Conversion Option right set forth in this Section 10, the Company must issue a press release for publication through the Dow Jones News Service or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public) announcing the Company's intention to exercise such a Company Recapitalization Conversion Option. The Company shall also give notice by mail or by publication to

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the Series C Preferred Holders (the ***Recapitalization Conversion Notice***) (not more than five (5) Trading Days after the date of the press release) of the Company Recapitalization Conversion Option announcing the Company's intention to exercise the Company Recapitalization Conversion Option. The Company shall select a conversion date to exercise the Company Recapitalization Conversion Option (the ***Company Recapitalization Conversion Date***), which date shall be no more than five (5) days after the date on which the Company issues such press release and no more than an aggregate of ninety (90) days following closing of the Series C Exchange Offer (the ***Recapitalization Conversion Period***). In addition to any information required by applicable law or regulation, the press release and Recapitalization Conversion Notice shall state, as appropriate: (i) the Company Recapitalization Conversion Date; (ii) the number of shares of Common Stock to be issued upon conversion of each Series C Preferred Share; (iii) the number of Series C Preferred Shares to be converted; and (iv) that dividends on the Series C Preferred Shares to be converted will cease to accumulate on the Company Recapitalization Conversion Date.

- (c) Upon exercise of the Company Recapitalization Conversion Option and surrender of the Series C Preferred Shares by a holder thereof, the Company shall issue and shall deliver or cause to be issued and delivered to such holder, or to such other person on such holder's written order, (a) one or more certificates representing the number of validly issued, fully paid and non-assessable full shares of Common Stock to which a holder of the Series C Preferred Shares being converted, or a holder's transferee, shall be entitled and (b) any fractional interest in respect of a share of Common Stock arising upon such conversion shall be settled as provided in Section 10(g).
- (d) Each conversion shall be deemed to have been made at the close of business on the Company Recapitalization Conversion Date so that the rights of the holder thereof as to the Series C Preferred Shares being converted will cease except for the right to receive the Recapitalization Conversion Value, and, if applicable, the Person entitled to receive shares of Common Stock shall be treated for all purposes as having become the record holder of those shares of Common Stock at that time.
- (e) In lieu of the foregoing procedures, if the Series C Preferred Shares are held in global form, each holder of beneficial interests in the Global Preferred Stock must comply with the procedures of DTC to convert such holder's beneficial interests in respect of the Series C Preferred Shares evidenced by the Global Preferred Stock.
- (f) If the Company exercises the Company Recapitalization Conversion Option, no dividends (including, for the avoidance of doubt, any accumulated and unpaid dividends, whether or not in arrears as of the Company Recapitalization Conversion Date) shall be payable to the holder of the converted shares.
- (g) In connection with the conversion of any Series C Preferred Shares, no fractional shares of Common Stock shall be issued, but the Company shall pay a cash amount in lieu of issuing any fractional share in an amount equal to the fractional interest multiplied by the Closing Sale Price on the Trading Day immediately prior to the Company Recapitalization Conversion Date. If more than one Series C Preferred Share will be surrendered for conversion by the same holder at the same time, the number of full shares of Common Stock issuable on conversion of those Series C Preferred Shares shall be computed on the basis of the total number of Series C Preferred Shares so surrendered.

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11. Adjustment of Recapitalization Conversion Rate.

(a) In case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series C Preferred Shares are outstanding, issue Common Stock as a dividend or distribution to all or substantially all holders of Common Stock, then the Recapitalization Conversion Rate in effect immediately prior to the close of business on the Common Stock Record Date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be increased by multiplying such Recapitalization Conversion Rate by a fraction:

(i) the numerator of which shall be the sum of the total number of shares of Common Stock outstanding at the close of business on such Common Stock Record Date and the total number of shares of Common Stock constituting such dividend or other distribution; and

(ii) the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on such Common Stock Record Date.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date fixed for such determination. If any dividend or distribution of the type described in this Section 11(a) is declared but not so paid or made, the Recapitalization Conversion Rate shall again be adjusted to the Recapitalization Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

(b) In case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series C Preferred Shares are outstanding, subdivide, reclassify or split its outstanding shares of Common Stock into a greater number of shares of Common Stock, the Recapitalization Conversion Rate in effect immediately prior to the opening of business on the day following the day upon which such subdivision, reclassification or split becomes effective shall be proportionately increased, and, conversely, in case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any of the Series C Preferred Shares are outstanding, combine or reclassify its outstanding shares of Common Stock into a smaller number of shares of Common Stock, the Recapitalization Conversion Rate in effect immediately prior to the opening of business on the day following the day upon which such combination or reclassification becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately prior to the opening of business on the day following the day upon which such subdivision, reclassification, split or combination becomes effective, so that the holder of any Series C Preferred Share thereafter surrendered for conversion shall be entitled to receive that number of shares of Common Stock which it would have received had such Series C Preferred Share been converted immediately prior to the happening of such event adjusted as a result of such event.

(c) In case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series C Preferred Shares are outstanding, issue rights or warrants for a period expiring within sixty (60) days to all or substantially all holders of its outstanding Common Stock entitling them to subscribe for or purchase Common Stock (or securities convertible into or exchangeable or exercisable for Common Stock), at a price per share of Common Stock (or having a conversion, exchange or exercise price per share of Common Stock) less than the Closing Sale Price of the Common Stock on the Trading Day immediately preceding the date of the announcement by public notice of such issuance or distribution (treating the conversion, exchange or exercise price per share of Common Stock of the securities convertible, exchangeable or exercisable into Common Stock as equal to (x) the sum of (i) the price for a unit of the security convertible into or exchangeable or exercisable for Common Stock and (ii) any additional consideration initially payable upon the conversion of or exchange or exercise for such security into Common Stock divided by (y) the number of shares of Common Stock initially underlying such convertible, exchangeable or exercisable security), then the

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Recapitalization Conversion Rate shall be increased by multiplying the Recapitalization Conversion Rate in effect at the opening of business on the date after such date of announcement by a fraction:

- (i) the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date of announcement, plus the total number of additional shares of Common Stock so offered for subscription or purchase (or into which the convertible, exchangeable or exercisable securities so offered are convertible, exchangeable or exercisable); and
- (ii) the denominator of which shall be the number of shares of Common Stock outstanding on the close of business on the date of announcement, plus the number of shares of Common Stock (or convertible, exchangeable or exercisable securities) which the aggregate offering price of the total number of shares of Common Stock (or convertible, exchangeable or exercisable securities) so offered for subscription or purchase (or the aggregate conversion, exchange or exercise price of the convertible, exchangeable or exercisable securities so offered) would purchase at such Closing Sale Price of the Common Stock.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such determination. To the extent that shares of Common Stock (or securities convertible, exchangeable or exercisable into shares of Common Stock) are not delivered pursuant to such rights or warrants, upon the expiration or termination of such rights or warrants, the Recapitalization Conversion Rate shall be readjusted to the Recapitalization Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of shares of Common Stock (or securities convertible, exchangeable or exercisable into shares of Common Stock) actually delivered. In the event that such rights or warrants are not so issued, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if the Common Stock Record Date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such Closing Sale Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants, the value of such consideration if other than cash, to be determined by the Board of Directors.

- (d) (1) In case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series C Preferred Shares are outstanding, by dividend or otherwise, distribute to all or substantially all holders of its outstanding shares of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing Company and the shares of Common Stock are not changed or exchanged), shares of its Capital Stock, evidences of its indebtedness or other assets, including securities (including capital stock of any subsidiary of the Company), but excluding (i) dividends or distributions of Common Stock referred to in Section 11(a), (ii) any rights or warrants referred to in Section 11(c), (iii) dividends and distributions paid exclusively in cash referred to in Section 11(e) and (iv) dividends and distributions of stock, securities or other property or assets (including cash) in connection with any reclassification or change of the outstanding shares of Common Stock, any merger or consolidation of the Company with another Person as a result of which holders of Common Stock shall be entitled to receive shares of stock, other securities or other property or assets (including cash, with respect to or in exchange for such Common Stock, or any sale or other disposition of all or substantially all of the property and assets of the Company to any other Person as a result of which holders of Common Stock shall be entitled to receive shares of stock, other securities or other property or assets (including cash) with respect to or in exchange for such Common Stock (such capital stock, evidence of its indebtedness, other assets or securities being distributed hereinafter in this Section 11(d) called the *Distributed Assets*), then, in each such case, subject to paragraphs (4) and (5) of this Section 11(d), the Recapitalization Conversion Rate shall be increased by

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multiplying the Recapitalization Conversion Rate in effect immediately prior to the close of business on the Common Stock Record Date with respect to such distribution by a fraction:

- (i) the numerator of which shall be the Current Market Price; and
- (ii) the denominator of which shall be such Current Market Price, less the Fair Market Value on such date of the portion of the Distributed Assets so distributed applicable to one share of Common Stock (determined on the basis of the number of shares of Common Stock outstanding on such Record Date) on such date.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such distribution. In the event that such dividend or distribution is not so paid or made, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

(2) If the Board of Directors determines the Fair Market Value of any distribution for purposes of this Section 11(d) by reference to the actual or when issued trading market for any Distributed Assets comprising all or part of such distribution, it must in doing so consider the prices in such market over the same period (the *Reference Period*) used in computing the Current Market Price pursuant to this Section 11(d) to the extent possible, unless the Board of Directors determines in good faith that determining the Fair Market Value during the Reference Period would not be in the best interest of the holders of the Series C Preferred Shares.

(3) In the event any such distribution consists of shares of capital stock of, or similar equity interests in, one or more of the Company's subsidiaries (a *Spin Off*), the Fair Market Value of the securities to be distributed shall equal the average of the Closing Sale Prices of such securities for the five consecutive Trading Days commencing on and including the sixth Trading Day of those securities after the effectiveness of the Spin Off, and the Current Market Price shall be measured for the same period. In the event, however, that an underwritten initial public offering of the securities in the Spin Off occurs simultaneously with the Spin Off, Fair Market Value of the securities distributed in the Spin Off shall mean the initial public offering price of such securities and the Current Market Price shall mean the Closing Sale Price for the Common Stock on the same Trading Day.

(4) Rights or warrants distributed by the Company to all holders of the outstanding shares of Common Stock entitling them to subscribe for or purchase equity securities of the Company (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events (*Trigger Event*), (x) are deemed to be transferred with such shares of Common Stock, (y) are not exercisable and (z) are also issued in respect of future issuances of shares of Common Stock shall be deemed not to have been distributed for purposes of this Section 11(d) (and no adjustment to the Recapitalization Conversion Rate under this Section 11(d) shall be required) until the occurrence of the earliest Trigger Event. If such right or warrant is subject to subsequent events, upon the occurrence of which such right or warrant shall become exercisable to purchase different Distributed Assets, or entitle the holder to purchase a different number or amount of the foregoing Distributed Assets or to purchase any of the foregoing Distributed Assets at a different purchase price, then the occurrence of each such event shall be deemed to be the date of issuance and Common Stock Record Date with respect to a new right or warrant (and a termination or expiration of the existing right or warrant without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto, that resulted in an adjustment to the Recapitalization Conversion Rate under this Section 11(d):

- (i) in the case of any such rights or warrants which shall all have been repurchased without exercise by any holders thereof, the Recapitalization Conversion Rate shall be readjusted upon such final

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repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share repurchase price received by a holder of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such repurchase; and

- (ii) in the case of such rights or warrants which shall have expired or been terminated without exercise, the Recapitalization Conversion Rate shall be readjusted as if such rights and warrants had never been issued.
- (5) For purposes of this Section 11(d) and Section 11(a), Section 11(b) and Section 11(c), any dividend or distribution to which this Section 11(d) is applicable that also includes (x) shares of Common Stock, (y) a subdivision, split or combination of shares of Common Stock to which Section 11(b) applies or (z) rights or warrants to subscribe for or purchase shares of Common Stock to which Section 11(c) applies (or any combination thereof), shall be deemed instead to be:
- (i) a dividend or distribution of the evidences of indebtedness, assets, shares of capital stock, rights or warrants, other than such shares of Common Stock, such subdivision, split or combination or such rights or warrants to which Section 11(a), Section 11(b) and Section 11(c) apply, respectively (and any Recapitalization Conversion Rate adjustment required by this Section 11(d) with respect to such dividend or distribution shall then be made), immediately followed by
 - (ii) a dividend or distribution of such shares of Common Stock, such subdivision, split or combination or such rights or warrants (and any further Recapitalization Conversion Rate increase required by Section 11(a), Section 11(b) and Section 11(c) with respect to such dividend or distribution shall then be made), except:
 - (A) the Common Stock Record Date of such dividend or distribution shall be substituted as (x) the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, Common Stock Record Date fixed for such determinations and Common Stock Record Date within the meaning of Section 11(a), (y) the day upon which such subdivision or split becomes effective or the day upon which such combination becomes effective (as applicable) within the meaning of Section 11(b), and (z) as the Common Stock Record Date fixed for the determination of the stockholders entitled to receive such rights or warrants and such Common Stock Record Date within the meaning of Section 11(c); and
 - (B) any reduction or increase in the number of shares of Common Stock resulting from such subdivision, split or combination (as applicable) shall be disregarded in connection with such dividend or distribution.
 - (e) In case the Company shall, at any time or from time to time while any Series C Preferred Shares are outstanding, by dividend or otherwise, distribute to all or substantially all holders of its outstanding shares of Common Stock during any quarterly fiscal period, cash (including any quarterly cash dividends, but excluding any cash that is distributed upon a reclassification, change, merger, consolidation, sale or other disposition to which Section 8 applies or as part of a distribution referred to in Section 11(d)) then, and in each case, immediately after the close of business on such date, the Recapitalization Conversion Rate shall be adjusted based on the following formula:

$$RCR1 = RCRo \times (SP/(SP-DI))$$
 where,
 - (ii) RCRo = the Recapitalization Conversion Rate in effect immediately prior to the Common Stock Record Date for such distribution;

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- (iii) RCRI = the Recapitalization Conversion Rate in effect immediately after the Common Stock Record Date for such distribution;

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(iv) SP = the average of the Closing Sale Price per share of Common Stock over the ten (10) consecutive Trading Day period prior to the Trading Day immediately preceding the earlier of the Common Stock Record Date or the ex-dividend date of such cash excess dividend or cash excess distribution; and

(v) DI = the amount in cash per share the Company distributes to holders of shares of Common Stock. Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such distribution. In the event that such distribution is not so made, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such distribution had not been declared.

(f) In case the Company or any of its subsidiaries or employee benefit plans of the Company funded with shares of the Common Stock make purchases of Common Stock pursuant to a tender offer or exchange offer that involves an aggregate consideration that exceeds ten percent (10%) of the aggregate market value of the Common Stock on the expiration of such tender offer or exchange offer (the ***Expiration Time***), the Recapitalization Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Recapitalization Conversion Rate in effect immediately prior to the close of business on the date of the Expiration Time by a fraction:

- (i) the numerator of which shall be the sum of (x) the product of (i) the number of shares of Common Stock outstanding (excluding any tendered or exchanged shares) at the Expiration Time and (ii) the Current Market Price of the Common Stock at the Expiration Time, and (y) the Fair Market Value of the aggregate consideration payable to stockholders based on acceptance (up to any maximum specified in the terms of the tender offer or exchange offer) of all shares validly tendered and not withdrawn as of the Expiration Time; and
- (ii) the denominator of which shall be the product of the number of shares of Common Stock outstanding (including any tendered or exchanged shares) at the Expiration Time and the Current Market Price of the Common Stock at the Expiration Time.

Such increase (if any) shall become effective immediately prior to the opening of business on the day following the Expiration Time. In the event that the Company or any other Person is obligated to purchase shares pursuant to any such tender offer or exchange offer, but the Company or such other Person does not effect any such purchases or all or a portion of such purchases are rescinded, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such (or such portion of the) tender offer or exchange offer had not been made. If the application of this Section 11(f) to any tender offer or exchange offer would result in a decrease in the Recapitalization Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this Section 11(f).

(g) For purposes of Section 11 of this Series C Certificate of Designations, the following terms shall have the meanings indicated:

Current Market Price on any date means the average of the daily Closing Sale Prices per share of Common Stock for the ten (10) consecutive Trading Days immediately prior to such date; provided, however, that if:

- (i) the **ex date** (as hereinafter defined) for any event (other than the issuance or distribution requiring such computation of Current Market Price) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 11(a), Section 11(b), Section 11(c), Section 11(d), Section 11(e) or Section 11(f) occurs during such ten consecutive Trading Days, the Closing Sale Price for each Trading Day prior to the **ex date** for such other event shall be adjusted by multiplying such Closing Sale Price by the same fraction by which

the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event;

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- (ii) the ex date for any event (other than the issuance or distribution requiring such computation of Current Market Price) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 11(a), Section 11(b), Section 11(c), Section 11(d), Section 11(e) or Section 11(f) occurs on or after the ex date for the issuance or distribution requiring such computation and prior to the day in question, the Closing Sale Price for each Trading Day on and after the ex date for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event; and

- (iii) the ex date for the issuance or distribution requiring such computation is prior to the day in question, after taking into account any adjustment required pursuant to clause (i) or (ii) of this proviso, the Closing Sale Price for each Trading Day on or after such ex date shall be adjusted by adding thereto the amount of any cash and the Fair Market Value (as determined by the Board of Directors in a manner consistent with any determination of such value for purposes of Section 11(d), Section 11(e) or Section 11(f)) of the evidences of indebtedness, shares of capital stock or assets being distributed applicable to one share of Common Stock as of the close of business on the day before such ex date.

For purposes of any computation under this Section 11, if the ex date for any event (other than the tender offer requiring such computation) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 11(a), Section 11(b), Section 11(c), Section 11(d), Section 11(e) or Section 11(f) occurs on or after the Expiration Time for the tender or exchange offer requiring such computation and prior to the day in question, the Closing Sale Price for each Trading Day on and after the ex date for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event. For purposes of this paragraph, the term ex date, when used:

- (A) with respect to any issuance or distribution, means the first date on which the Common Stock trade regular way on the relevant exchange or in the relevant market from which the Closing Sale Price was obtained without the right to receive such issuance or distribution;

- (B) with respect to any subdivision, split or combination of Common Stock, means the first date on which the Common Stock trade regular way on such exchange or in such market after the time at which such subdivision, split or combination becomes effective; and

- (C) with respect to any tender offer or exchange offer, means the first date on which the Common Stock trade regular way on such exchange or in such market after the Expiration Time of such offer.

Notwithstanding the foregoing, whenever successive adjustments to the Recapitalization Conversion Rate are called for pursuant to this Section 11, such adjustments shall be made to the Current Market Price as may be necessary or appropriate to effectuate the intent of this Section 11 and to avoid unjust or inequitable results as determined in good faith by the Board of Directors.

Fair Market Value means the amount which a willing buyer would pay a willing seller in an arm's length transaction (as determined by the Board of Directors, whose determination shall be made in good faith and, absent manifest error, shall be final and binding on holders of the Series C Preferred Shares).

Common Stock Record Date means, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

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- (h) The Company shall be entitled to make such additional increases in the Recapitalization Conversion Rate, in addition to those required by Section 11(a), Section 11(b), Section 11(c), Section 11(d), Section 11(e) or Section 11(f), if the Board of Directors determines that it is advisable, in order that any dividend or distribution of Common Stock, any subdivision, reclassification or combination of Common Stock or any issuance of rights or warrants referred to above, or any event treated as such for United States federal income tax purposes, shall not be taxable to the holders of Common Stock for United States federal income tax purposes or to diminish any such tax.
- (i) To the extent permitted by law, the Company may, from time to time, increase the Recapitalization Conversion Rate for a period of at least twenty (20) Trading Days if the Board of Directors determines that such an increase would be in the Company's best interests. Any such determination by Board of Directors shall be conclusive. The Company shall give holders of Series C Preferred Shares at least fifteen (15) Trading Days' notice of any such increase in the Recapitalization Conversion Rate.
- (j) The Company shall not be required to make an adjustment in the Recapitalization Conversion Rate unless the adjustment would require a change of at least one percent (1.0%) in the Recapitalization Conversion Rate. However, any adjustments that are not required to be made because they would have required an increase or decrease of less than one percent (1.0%) shall be carried forward and taken into account in any subsequent adjustment of the Recapitalization Conversion Rate or in connection with any conversion of the Series C Preferred Stock. Except as described in this Section 11, the Company shall not adjust the Recapitalization Conversion Rate for any issuance of our shares of Common Stock or any securities convertible into or exchangeable or exercisable for its shares of Common Stock or rights to purchase its shares of Common Stock or such convertible, exchangeable or exercisable securities.
- (k) In the event that at any time, as a result of an adjustment made pursuant to this Section 11, the holder of any Series C Preferred Shares thereafter surrendered for conversion shall become entitled to receive any shares of Capital Stock of the Company other than Common Stock into which the Series C Preferred Shares originally were convertible, the Recapitalization Conversion Rate of such other shares so receivable upon conversion of any such Series C Preferred Share shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in subparagraphs (a) through (l) of this Section 11, and any other applicable provisions of this Series C Certificate of Designations with respect to the Common Stock shall apply on like or similar terms to any such other shares.
- (l) To the extent the Company has a rights plan in effect upon conversion of the Series C Preferred Shares for shares of Common Stock, the holder will receive, in addition to the shares of Common Stock, the rights under the rights plan unless the rights have separated from the shares of Common Stock prior to the time of conversion, in which case the Recapitalization Conversion Rate shall be adjusted at the time of separation as if the Company made a distribution referred to in Section 11(d) above (without regard to any of the exceptions there).

THIRD: This Certificate of Amendment to Certificate of Designations was duly adopted by the Corporation's directors and stockholders in accordance with the applicable provisions of Section 242 of the DGCL.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment to Certificate of Designations on the date first written above.

GOODRICH PETROLEUM

CORPORATION

By:

Name: Michael J. Killelea

Title: Senior Vice President, General Counsel
and Corporate Secretary

SIGNATURE PAGE TO CERTIFICATE OF AMENDMENT TO

CERTIFICATE OF DESIGNATIONS OF

10.00% SERIES C CUMULATIVE PREFERRED STOCK OF

GOODRICH PETROLEUM CORPORATION

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APPENDIX C

CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF DESIGNATIONS OF

9.75% SERIES D CUMULATIVE PREFERRED STOCK OF

GOODRICH PETROLEUM CORPORATION

, 2016

Pursuant to Section 242 of the Delaware General Corporation Law (*DGCL*), Goodrich Petroleum Corporation, a corporation organized and existing under the laws of the State of Delaware (the Corporation), does hereby certify as follows:

FIRST: Article THIRD of the Certificate of Designations of 9.75% Series D Cumulative Preferred Stock of the Corporation (the Certificate of Designations) is hereby amended by adding the following defined terms to Section 1:

Capital Stock means any equity security of the Company, including the Common Stock and the Preferred Stock of the Company.

Closing Sale Price means, with regard to shares of the Common Stock, on any date, the closing sale price per share (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) on such date as reported on the principal United States national or regional securities exchange on which shares of the Common Stock are traded or, if shares of the Common Stock are not listed on a United States national or regional securities exchange, as reported by NASDAQ, or, if shares of the Common Stock are not reported by NASDAQ, as reported on the OTC Markets marketplace, or in the absence of such a quotation, the Company shall determine the closing sale price, in good faith, on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

Common Stock means the common stock, par value \$0.20 per share, of the Company.

Common Stock Record Date has the meaning set forth in Section 11(g).

Company Recapitalization Conversion Date has the meaning set forth in Section 10(b) of this Series D Certificate of Designations.

Company Recapitalization Conversion Option has the meaning set forth in Section 10(a) of this Series D Certificate of Designations.

Distributed Assets has the meaning set forth in Section 11(d)(1) of this Series D Certificate of Designations.

Expiration Time has the meaning set forth in Section 11(f) of this Series D Certificate of Designations.

Global Preferred Stock means fully registered global certificates with a global securities legend and a restricted securities legend.

Person shall mean any individual, corporation, general or limited partnership, limited liability partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization or government or any agency or political subdivision thereof.

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Record Date shall mean the March 1, June 1, September 1 or December 1 next preceding the applicable Dividend Payment Date.

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Reference Period has the meaning set forth in Section 11(d)(2) of this Series D Certificate of Designations.

Recapitalization Conversion Notice has the meaning set forth in Section 10(b) of this Series D Certificate of Designations.

Recapitalization Conversion Period has the meaning set forth in Section 10(b) of this Series D Certificate of Designations.

Recapitalization Conversion Rate has the meaning set forth in Section 10(a) of this Series D Certificate of Designations.

Recapitalization Conversion Value means an amount equal to the product of the applicable Recapitalization Conversion Rate (as adjusted) multiplied by the number of Series D Preferred Shares.

Series D Exchange Offer means the Company's offer to exchange any and all outstanding Series D Preferred Shares for newly issued shares of the Company's Common Stock, upon the terms and subject to the conditions set forth in the offer to exchange (as supplemented or amended from time to time) filed on Schedule TO with the Securities and Exchange Commission on January 26, 2016, as amended and restated on February 5, 2016.

Series D Preferred Shares means the depositary shares each representing a 1/1000 ownership interest in a share of 9.75% Series D Cumulative Preferred Stock, par value \$1.00 per share, of the Company.

Spin Off has the meaning set forth in Section 11(d)(3) of this Series D Certificate of Designations.

Trading Day shall mean a day during which trading in securities generally occurs on the New York Stock Exchange or, if the Common Stock is not listed on the New York Stock Exchange, on the principal other United States national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not listed on a United States national or regional securities exchange, on NASDAQ or, if the Common Stock is not quoted on NASDAQ, on OTC Markets marketplace or, if the Common Stock is not quoted on the OTC Markets marketplace, on the principal other market on which the Common Stock is then traded.

Trigger Event has the meaning set forth in Section 11(d)(4) of this Series D Certificate of Designations.

SECOND: Article THIRD of the Certificate of Designations is hereby amended by adding the following sections to the end thereof:

10. Company Recapitalization Conversion Option.

- (a) On a date that is no later than ninety (90) days following the closing of the Series D Exchange Offer, the Company shall have the option to cause all of the outstanding Series D Preferred Shares to be automatically converted into that number of fully paid and non-assessable shares of Common Stock initially at a conversion rate (the ***Recapitalization Conversion Rate***) of 4.449 shares of Common Stock per \$25.00 liquidation preference, which is equivalent to a conversion price of approximately \$5.62 per share of Common Stock (subject to adjustment in accordance with the provisions of Section 11 of this Series D Certificate of Designations) (***Company Recapitalization Conversion Option***).
- (b) To exercise the Company Recapitalization Conversion Option right set forth in this Section 10, the Company must issue a press release for publication through the Dow Jones News Service or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public) announcing the Company's intention to exercise such a Company Recapitalization Conversion Option. The Company shall also give notice by mail or by publication to the Series D Preferred Holders (the ***Recapitalization Conversion Notice***) (not more than five (5) Trading Days after the date of the press release) of the Company Recapitalization Conversion Option

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announcing the Company's intention to exercise the Company Recapitalization Conversion Option. The Company shall select a conversion date to exercise the Company Recapitalization Conversion Option (the ***Company Recapitalization Conversion Date***), which date shall be no more than five (5) days after the date on which the Company issues such press release and no more than an aggregate of ninety (90) days following closing of the Series D Exchange Offer (the ***Recapitalization Conversion Period***). In addition to any information required by applicable law or regulation, the press release and Recapitalization Conversion Notice shall state, as appropriate: (i) the Company Recapitalization Conversion Date; (ii) the number of shares of Common Stock to be issued upon conversion of each Series D Preferred Share; (iii) the number of Series D Preferred Shares to be converted; and (iv) that dividends on the Series D Preferred Shares to be converted will cease to accumulate on the Company Recapitalization Conversion Date.

- (c) Upon exercise of the Company Recapitalization Conversion Option and surrender of the Series D Preferred Shares by a holder thereof, the Company shall issue and shall deliver or cause to be issued and delivered to such holder, or to such other person on such holder's written order, (a) one or more certificates representing the number of validly issued, fully paid and non-assessable full shares of Common Stock to which a holder of the Series D Preferred Shares being converted, or a holder's transferee, shall be entitled and (b) any fractional interest in respect of a share of Common Stock arising upon such conversion shall be settled as provided in Section 10(g).
- (d) Each conversion shall be deemed to have been made at the close of business on the Company Recapitalization Conversion Date so that the rights of the holder thereof as to the Series D Preferred Shares being converted will cease except for the right to receive the Recapitalization Conversion Value, and, if applicable, the Person entitled to receive shares of Common Stock shall be treated for all purposes as having become the record holder of those shares of Common Stock at that time.
- (e) In lieu of the foregoing procedures, if the Series D Preferred Shares are held in global form, each holder of beneficial interests in the Global Preferred Stock must comply with the procedures of DTC to convert such holder's beneficial interests in respect of the Series D Preferred Shares evidenced by the Global Preferred Stock.
- (f) If the Company exercises the Company Recapitalization Conversion Option, no dividends (including, for the avoidance of doubt, any accumulated and unpaid dividends, whether or not in arrears as of the Company Recapitalization Conversion Date) shall be payable to the holder of the converted shares.
- (g) In connection with the conversion of any Series D Preferred Shares, no fractional shares of Common Stock shall be issued, but the Company shall pay a cash amount in lieu of issuing any fractional share in an amount equal to the fractional interest multiplied by the Closing Sale Price on the Trading Day immediately prior to the Company Recapitalization Conversion Date. If more than one Series D Preferred Share will be surrendered for conversion by the same holder at the same time, the number of full shares of Common Stock issuable on conversion of those Series D Preferred Shares shall be computed on the basis of the total number of Series D Preferred Shares so surrendered.

11. Adjustment of Recapitalization Conversion Rate.

- (a) In case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series D Preferred Shares are outstanding, issue Common Stock as a dividend or distribution to all or substantially all holders of Common Stock, then the Recapitalization Conversion Rate in effect immediately prior to the close of business on the Common Stock Record Date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be increased by multiplying such Recapitalization Conversion Rate by a fraction:

- (i) the numerator of which shall be the sum of the total number of shares of Common Stock outstanding at the close of business on such Common Stock Record Date and the total number of shares of Common Stock constituting such dividend or other distribution; and

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- (ii) the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on such Common Stock Record Date.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date fixed for such determination. If any dividend or distribution of the type described in this Section 11(a) is declared but not so paid or made, the Recapitalization Conversion Rate shall again be adjusted to the Recapitalization Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

- (b) In case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series D Preferred Shares are outstanding, subdivide, reclassify or split its outstanding shares of Common Stock into a greater number of shares of Common Stock, the Recapitalization Conversion Rate in effect immediately prior to the opening of business on the day following the day upon which such subdivision, reclassification or split becomes effective shall be proportionately increased, and, conversely, in case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any of the Series D Preferred Shares are outstanding, combine or reclassify its outstanding shares of Common Stock into a smaller number of shares of Common Stock, the Recapitalization Conversion Rate in effect immediately prior to the opening of business on the day following the day upon which such combination or reclassification becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately prior to the opening of business on the day following the day upon which such subdivision, reclassification, split or combination becomes effective, so that the holder of any Series D Preferred Share thereafter surrendered for conversion shall be entitled to receive that number of shares of Common Stock which it would have received had such Series D Preferred Share been converted immediately prior to the happening of such event adjusted as a result of such event.
- (c) In case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series D Preferred Shares are outstanding, issue rights or warrants for a period expiring within sixty (60) days to all or substantially all holders of its outstanding Common Stock entitling them to subscribe for or purchase Common Stock (or securities convertible into or exchangeable or exercisable for Common Stock), at a price per share of Common Stock (or having a conversion, exchange or exercise price per share of Common Stock) less than the Closing Sale Price of the Common Stock on the Trading Day immediately preceding the date of the announcement by public notice of such issuance or distribution (treating the conversion, exchange or exercise price per share of Common Stock of the securities convertible, exchangeable or exercisable into Common Stock as equal to (x) the sum of (i) the price for a unit of the security convertible into or exchangeable or exercisable for Common Stock and (ii) any additional consideration initially payable upon the conversion of or exchange or exercise for such security into Common Stock divided by (y) the number of shares of Common Stock initially underlying such convertible, exchangeable or exercisable security), then the Recapitalization Conversion Rate shall be increased by multiplying the Recapitalization Conversion Rate in effect at the opening of business on the date after such date of announcement by a fraction:
 - (i) the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date of announcement, plus the total number of additional shares of Common Stock so offered for subscription or purchase (or into which the convertible, exchangeable or exercisable securities so offered are convertible, exchangeable or exercisable); and
 - (ii) the denominator of which shall be the number of shares of Common Stock outstanding on the close of business on the date of announcement, plus the number of shares of Common Stock (or convertible, exchangeable or exercisable securities) which the aggregate offering price of the total number of shares of Common Stock (or convertible, exchangeable or exercisable securities) so offered for subscription or purchase (or the aggregate conversion, exchange or exercise price of the convertible, exchangeable or exercisable securities so offered) would purchase at such Closing Sale Price of the Common Stock.

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Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such determination. To the extent that shares of Common Stock (or securities convertible, exchangeable or exercisable into shares of Common Stock) are not delivered pursuant to such rights or warrants, upon the expiration or termination of such rights or warrants, the Recapitalization Conversion Rate shall be readjusted to the Recapitalization Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of shares of Common Stock (or securities convertible, exchangeable or exercisable into shares of Common Stock) actually delivered. In the event that such rights or warrants are not so issued, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if the Common Stock Record Date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such Closing Sale Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants, the value of such consideration if other than cash, to be determined by the Board of Directors.

- (d) (1) In case the Company shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series D Preferred Shares are outstanding, by dividend or otherwise, distribute to all or substantially all holders of its outstanding shares of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing Company and the shares of Common Stock are not changed or exchanged), shares of its Capital Stock, evidences of its indebtedness or other assets, including securities (including capital stock of any subsidiary of the Company), but excluding (i) dividends or distributions of Common Stock referred to in Section 11(a), (ii) any rights or warrants referred to in Section 11(c), (iii) dividends and distributions paid exclusively in cash referred to in Section 11(e) and (iv) dividends and distributions of stock, securities or other property or assets (including cash) in connection with any reclassification or change of the outstanding shares of Common Stock, any merger or consolidation of the Company with another Person as a result of which holders of Common Stock shall be entitled to receive shares of stock, other securities or other property or assets (including cash, with respect to or in exchange for such Common Stock, or any sale or other disposition of all or substantially all of the property and assets of the Company to any other Person as a result of which holders of Common Stock shall be entitled to receive shares of stock, other securities or other property or assets (including cash) with respect to or in exchange for such Common Stock (such capital stock, evidence of its indebtedness, other assets or securities being distributed hereinafter in this Section 11(d) called the *Distributed Assets*), then, in each such case, subject to paragraphs (4) and (5) of this Section 11(d), the Recapitalization Conversion Rate shall be increased by multiplying the Recapitalization Conversion Rate in effect immediately prior to the close of business on the Common Stock Record Date with respect to such distribution by a fraction:

- (i) the numerator of which shall be the Current Market Price; and
- (ii) the denominator of which shall be such Current Market Price, less the Fair Market Value on such date of the portion of the Distributed Assets so distributed applicable to one share of Common Stock (determined on the basis of the number of shares of Common Stock outstanding on such Record Date) on such date.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such distribution. In the event that such dividend or distribution is not so paid or made, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

- (2) If the Board of Directors determines the Fair Market Value of any distribution for purposes of this Section 11(d) by reference to the actual or when issued trading market for any Distributed Assets

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comprising all or part of such distribution, it must in doing so consider the prices in such market over the same period (the *Reference Period*) used in computing the Current Market Price pursuant to this Section 11(d) to the extent possible, unless the Board of Directors determines in good faith that determining the Fair Market Value during the Reference Period would not be in the best interest of the holders of the Series D Preferred Shares.

(3) In the event any such distribution consists of shares of capital stock of, or similar equity interests in, one or more of the Company's subsidiaries (a *Spin Off*), the Fair Market Value of the securities to be distributed shall equal the average of the Closing Sale Prices of such securities for the five consecutive Trading Days commencing on and including the sixth Trading Day of those securities after the effectiveness of the Spin Off, and the Current Market Price shall be measured for the same period. In the event, however, that an underwritten initial public offering of the securities in the Spin Off occurs simultaneously with the Spin Off, Fair Market Value of the securities distributed in the Spin Off shall mean the initial public offering price of such securities and the Current Market Price shall mean the Closing Sale Price for the Common Stock on the same Trading Day.

(4) Rights or warrants distributed by the Company to all holders of the outstanding shares of Common Stock entitling them to subscribe for or purchase equity securities of the Company (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events (*Trigger Event*), (x) are deemed to be transferred with such shares of Common Stock, (y) are not exercisable and (z) are also issued in respect of future issuances of shares of Common Stock shall be deemed not to have been distributed for purposes of this Section 11(d) (and no adjustment to the Recapitalization Conversion Rate under this Section 11(d) shall be required) until the occurrence of the earliest Trigger Event. If such right or warrant is subject to subsequent events, upon the occurrence of which such right or warrant shall become exercisable to purchase different Distributed Assets, or entitle the holder to purchase a different number or amount of the foregoing Distributed Assets or to purchase any of the foregoing Distributed Assets at a different purchase price, then the occurrence of each such event shall be deemed to be the date of issuance and Common Stock Record Date with respect to a new right or warrant (and a termination or expiration of the existing right or warrant without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto, that resulted in an adjustment to the Recapitalization Conversion Rate under this Section 11(d):

- (i) in the case of any such rights or warrants which shall all have been repurchased without exercise by any holders thereof, the Recapitalization Conversion Rate shall be readjusted upon such final repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share repurchase price received by a holder of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such repurchase; and
- (ii) in the case of such rights or warrants which shall have expired or been terminated without exercise, the Recapitalization Conversion Rate shall be readjusted as if such rights and warrants had never been issued.

(5) For purposes of this Section 11(d) and Section 11(a), Section 11(b) and Section 11(c), any dividend or distribution to which this Section 11(d) is applicable that also includes (x) shares of Common Stock, (y) a subdivision, split or combination of shares of Common Stock to which Section 11(b) applies or (z) rights or warrants to subscribe for or purchase shares of Common Stock to which Section 11(c) applies (or any combination thereof), shall be deemed instead to be:

- (i) a dividend or distribution of the evidences of indebtedness, assets, shares of capital stock, rights or warrants, other than such shares of Common Stock, such subdivision, split or combination or such

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rights or warrants to which Section 11(a), Section 11(b) and Section 11(c) apply, respectively (and any Recapitalization Conversion Rate adjustment required by this Section 11(d) with respect to such dividend or distribution shall then be made), immediately followed by

- (ii) a dividend or distribution of such shares of Common Stock, such subdivision, split or combination or such rights or warrants (and any further Recapitalization Conversion Rate increase required by Section 11(a), Section 11(b) and Section 11(c) with respect to such dividend or distribution shall then be made), except:
 - (A) the Common Stock Record Date of such dividend or distribution shall be substituted as (x) the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, Common Stock Record Date fixed for such determinations and Common Stock Record Date within the meaning of Section 11(a), (y) the day upon which such subdivision or split becomes effective or the day upon which such combination becomes effective (as applicable) within the meaning of Section 11(b), and (z) as the Common Stock Record Date fixed for the determination of the stockholders entitled to receive such rights or warrants and such Common Stock Record Date within the meaning of Section 11(c); and
 - (B) any reduction or increase in the number of shares of Common Stock resulting from such subdivision, split or combination (as applicable) shall be disregarded in connection with such dividend or distribution.

- (e) In case the Company shall, at any time or from time to time while any Series D Preferred Shares are outstanding, by dividend or otherwise, distribute to all or substantially all holders of its outstanding shares of Common Stock during any quarterly fiscal period, cash (including any quarterly cash dividends, but excluding any cash that is distributed upon a reclassification, change, merger, consolidation, sale or other disposition to which Section 8 applies or as part of a distribution referred to in Section 11(d)) then, and in each case, immediately after the close of business on such date, the Recapitalization Conversion Rate shall be adjusted based on the following formula:

$RCR1 = RCR_0 \times (SP/(SP-DI))$ where,

- (ii) RCR_0 = the Recapitalization Conversion Rate in effect immediately prior to the Common Stock Record Date for such distribution;
- (iii) $RCR1$ = the Recapitalization Conversion Rate in effect immediately after the Common Stock Record Date for such distribution;
- (iv) SP = the average of the Closing Sale Price per share of Common Stock over the ten (10) consecutive Trading Day period prior to the Trading Day immediately preceding the earlier of the Common Stock Record Date or the ex-dividend date of such cash excess dividend or cash excess distribution; and
- (v) DI = the amount in cash per share the Company distributes to holders of shares of Common Stock.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such distribution. In the event that such distribution is not so made, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such distribution had not been declared.

- (f) In case the Company or any of its subsidiaries or employee benefit plans of the Company funded with shares of the Common Stock make purchases of Common Stock pursuant to a tender offer or exchange offer that involves an aggregate consideration that exceeds ten percent (10%) of the aggregate market

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value of the Common Stock on the expiration of such tender offer or exchange offer (the *Expiration Time*), the Recapitalization Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Recapitalization Conversion Rate in effect immediately prior to the close of business on the date of the Expiration Time by a fraction:

- (i) the numerator of which shall be the sum of (x) the product of (i) the number of shares of Common Stock outstanding (excluding any tendered or exchanged shares) at the Expiration Time and (ii) the Current Market Price of the Common Stock at the Expiration Time, and (y) the Fair Market Value of the aggregate consideration payable to stockholders based on acceptance (up to any maximum specified in the terms of the tender offer or exchange offer) of all shares validly tendered and not withdrawn as of the Expiration Time; and
- (ii) the denominator of which shall be the product of the number of shares of Common Stock outstanding (including any tendered or exchanged shares) at the Expiration Time and the Current Market Price of the Common Stock at the Expiration Time.

Such increase (if any) shall become effective immediately prior to the opening of business on the day following the Expiration Time. In the event that the Company or any other Person is obligated to purchase shares pursuant to any such tender offer or exchange offer, but the Company or such other Person does not effect any such purchases or all or a portion of such purchases are rescinded, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such (or such portion of the) tender offer or exchange offer had not been made. If the application of this Section 11(f) to any tender offer or exchange offer would result in a decrease in the Recapitalization Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this Section 11(f).

- (g) For purposes of Section 11 of this Series D Certificate of Designations, the following terms shall have the meanings indicated:

Current Market Price on any date means the average of the daily Closing Sale Prices per share of Common Stock for the ten (10) consecutive Trading Days immediately prior to such date; provided, however, that if:

- (i) the **ex date** (as hereinafter defined) for any event (other than the issuance or distribution requiring such computation of Current Market Price) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 11(a), Section 11(b), Section 11(c), Section 11(d), Section 11(e) or Section 11(f) occurs during such ten consecutive Trading Days, the Closing Sale Price for each Trading Day prior to the **ex date** for such other event shall be adjusted by multiplying such Closing Sale Price by the same fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event;
- (ii) the **ex date** for any event (other than the issuance or distribution requiring such computation of Current Market Price) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 11(a), Section 11(b), Section 11(c), Section 11(d), Section 11(e) or Section 11(f) occurs on or after the **ex date** for the issuance or distribution requiring such computation and prior to the day in question, the Closing Sale Price for each Trading Day on and after the **ex date** for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event; and
- (iii) the **ex date** for the issuance or distribution requiring such computation is prior to the day in question, after taking into account any adjustment required pursuant to clause (i) or (ii) of this proviso, the Closing Sale Price for each Trading Day on or after such **ex date** shall be adjusted

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by adding thereto the amount of any cash and the Fair Market Value (as determined by the Board of Directors in a manner consistent with any determination of such value for purposes of Section 11(d), Section 11(e) or Section 11(f)) of the evidences of indebtedness, shares of capital stock or assets being distributed applicable to one share of Common Stock as of the close of business on the day before such ex date.

For purposes of any computation under this Section 11, if the ex date for any event (other than the tender offer requiring such computation) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 11(a), Section 11(b), Section 11(c), Section 11(d), Section 11(e) or Section 11(f) occurs on or after the Expiration Time for the tender or exchange offer requiring such computation and prior to the day in question, the Closing Sale Price for each Trading Day on and after the ex date for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event. For purposes of this paragraph, the term ex date, when used:

- (A) with respect to any issuance or distribution, means the first date on which the Common Stock trade regular way on the relevant exchange or in the relevant market from which the Closing Sale Price was obtained without the right to receive such issuance or distribution;
- (B) with respect to any subdivision, split or combination of Common Stock, means the first date on which the Common Stock trade regular way on such exchange or in such market after the time at which such subdivision, split or combination becomes effective; and
- (C) with respect to any tender offer or exchange offer, means the first date on which the Common Stock trade regular way on such exchange or in such market after the Expiration Time of such offer.

Notwithstanding the foregoing, whenever successive adjustments to the Recapitalization Conversion Rate are called for pursuant to this Section 11, such adjustments shall be made to the Current Market Price as may be necessary or appropriate to effectuate the intent of this Section 11 and to avoid unjust or inequitable results as determined in good faith by the Board of Directors.

Fair Market Value means the amount which a willing buyer would pay a willing seller in an arm's length transaction (as determined by the Board of Directors, whose determination shall be made in good faith and, absent manifest error, shall be final and binding on holders of the Series D Preferred Shares).

Common Stock Record Date means, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

- (h) The Company shall be entitled to make such additional increases in the Recapitalization Conversion Rate, in addition to those required by Section 11(a), Section 11(b), Section 11(c), Section 11(d), Section 11(e) or Section 11(f), if the Board of Directors determines that it is advisable, in order that any dividend or distribution of Common Stock, any subdivision, reclassification or combination of Common Stock or any issuance of rights or warrants referred to above, or any event treated as such for United States federal income tax purposes, shall not be taxable to the holders of Common Stock for United States federal income tax purposes or to diminish any such tax.
- (i) To the extent permitted by law, the Company may, from time to time, increase the Recapitalization Conversion Rate for a period of at least twenty (20) Trading Days if the Board of Directors determines that such an increase would be in the Company's best interests. Any such determination by Board of

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Directors shall be conclusive. The Company shall give holders of Series D Preferred Shares at least fifteen (15) Trading Days notice of any such increase in the Recapitalization Conversion Rate.

- (j) The Company shall not be required to make an adjustment in the Recapitalization Conversion Rate unless the adjustment would require a change of at least one percent (1.0%) in the Recapitalization Conversion Rate. However, any adjustments that are not required to be made because they would have required an increase or decrease of less than one percent (1.0%) shall be carried forward and taken into account in any subsequent adjustment of the Recapitalization Conversion Rate or in connection with any conversion of the Series D Preferred Stock. Except as described in this Section 11, the Company shall not adjust the Recapitalization Conversion Rate for any issuance of our shares of Common Stock or any securities convertible into or exchangeable or exercisable for its shares of Common Stock or rights to purchase its shares of Common Stock or such convertible, exchangeable or exercisable securities.

 - (k) In the event that at any time, as a result of an adjustment made pursuant to this Section 11, the holder of any Series D Preferred Shares thereafter surrendered for conversion shall become entitled to receive any shares of Capital Stock of the Company other than Common Stock into which the Series D Preferred Shares originally were convertible, the Recapitalization Conversion Rate of such other shares so receivable upon conversion of any such Series D Preferred Share shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in subparagraphs (a) through (l) of this Section 11, and any other applicable provisions of this Series D Certificate of Designations with respect to the Common Stock shall apply on like or similar terms to any such other shares.

 - (l) To the extent the Company has a rights plan in effect upon conversion of the Series D Preferred Shares for shares of Common Stock, the holder will receive, in addition to the shares of Common Stock, the rights under the rights plan unless the rights have separated from the shares of Common Stock prior to the time of conversion, in which case the Recapitalization Conversion Rate shall be adjusted at the time of separation as if the Company made a distribution referred to in Section 11(d) above (without regard to any of the exceptions there).
- THIRD: This Certificate of Amendment to Certificate of Designations was duly adopted by the Corporation's directors and stockholders in accordance with the applicable provisions of Section 242 of the DGCL.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment to Certificate of Designations on the date first written above.

**GOODRICH PETROLEUM
CORPORATION**

By:

Name: Michael J. Killelea

Title: Senior Vice President, General Counsel
and Corporate Secretary

SIGNATURE PAGE TO CERTIFICATE OF AMENDMENT TO

CERTIFICATE OF DESIGNATIONS OF

9.75% SERIES D CUMULATIVE PREFERRED STOCK OF

GOODRICH PETROLEUM CORPORATION

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APPENDIX D

CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF DESIGNATION OF

10.00% SERIES E CUMULATIVE CONVERTIBLE PREFERRED STOCK OF

GOODRICH PETROLEUM CORPORATION

, 2016

Pursuant to Section 242 of the Delaware General Corporation Law (DGCL), Goodrich Petroleum Corporation, a corporation organized and existing under the laws of the State of Delaware (the Corporation), does hereby certify as follows:

FIRST: Section 1 of the Certificate of Designation of 10.00% Series E Cumulative Convertible Preferred Stock of the Corporation (the Certificate of Designation) is hereby amended by adding the following defined terms:

Company Recapitalization Conversion Date shall have the meaning set forth in Section 22(b) of this Certificate.

Company Recapitalization Conversion Option shall have the meaning set forth in Section 22(a) of this Certificate.

Recapitalization Conversion Notice shall have the meaning set forth in Section 22(b) of this Certificate.

Recapitalization Conversion Period shall have the meaning set forth in Section 22(b) of this Certificate.

Recapitalization Conversion Rate shall have the meaning set forth in Section 22(a) of this Certificate.

Recapitalization Conversion Rate shall mean an amount equal to the product of the applicable Recapitalization Conversion Rate (as adjusted) multiplied by the number of Series E Preferred Shares.

Series E Exchange Offer shall mean the Corporation's offer to exchange any and all outstanding Series E Preferred Shares for newly issued shares of the Corporation's Common Stock, upon the terms and subject to the conditions set forth in the offer to exchange (as supplemented or amended from time to time) filed on Schedule TO with the Commission on January 26, 2016, as amended and restated on February 5, 2016.

SECOND: Section 1 of the Certificate of Designation is hereby amended by amending and restating the following definitions in their entirety:

Closing Sale Price shall mean, with regard to shares of the Common Stock, on any date, the closing sale price per share (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) on such date as reported on the principal United States national or regional securities exchange on which shares of the Common Stock are traded or, if shares of the Common Stock are not listed on a United States national or regional securities exchange, as reported by NASDAQ, or, if shares of the Common Stock are not reported by NASDAQ, as reported on the OTC Markets marketplace, or in the absence of such a quotation, the Company shall determine the closing sale price, in good faith, on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

Trading Day shall mean a day during which trading in securities generally occurs on the New York Stock Exchange or, if the Common Stock is not listed on the New York Stock Exchange, on the principal other United States national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not listed on a United States national or regional securities exchange, on NASDAQ or, if

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the Common Stock is not quoted on NASDAQ, on OTC Markets marketplace or, if the Common Stock is not quoted on the OTC Markets marketplace, on the principal other market on which the Common Stock is then traded.

THIRD: The Certificate of Designation is hereby amended by adding the following sections to the end thereof:

Section 22. Company Recapitalization Conversion Option.

- (a) On a date that is no later than ninety (90) days following the closing of the Series E Exchange Offer, the Corporation shall have the option to cause all of the outstanding Series E Preferred Shares to be automatically converted into that number of fully paid and non-assessable shares of Common Stock initially at a conversion rate (the Recapitalization Conversion Rate) of 5.188 shares of Common Stock per \$10.00 liquidation preference, which is equivalent to a conversion price of approximately \$1.93 per share of Common Stock (subject to adjustment in accordance with the provisions of Section 22 of this Certificate) (Company Recapitalization Conversion Option).
- (b) To exercise the Company Recapitalization Conversion Option right set forth in this Section 22, the Corporation must issue a press release for publication through the Dow Jones News Service or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public) announcing the Corporation's intention to exercise such a Company Recapitalization Conversion Option. The Corporation shall also give notice by mail or by publication to the Series E Preferred Holders (the Recapitalization Conversion Notice) (not more than five (5) Trading Days after the date of the press release) of the Company Recapitalization Conversion Option announcing the Corporation's intention to exercise the Company Recapitalization Conversion Option. The Corporation shall select a conversion date to exercise the Company Recapitalization Conversion Option (the Company Recapitalization Conversion Date), which date shall be no more than five (5) days after the date on which the Corporation issues such press release and no more than an aggregate of ninety (90) days following closing of the Series E Exchange Offer (the Recapitalization Conversion Period). In addition to any information required by applicable law or regulation, the press release and Recapitalization Conversion Notice shall state, as appropriate: (i) the Company Recapitalization Conversion Date; (ii) the number of shares of Common Stock to be issued upon conversion of each Series E Preferred Share; (iii) the number of Series E Preferred Shares to be converted; and (iv) that dividends on the Series E Preferred Shares to be converted will cease to accumulate on the Company Recapitalization Conversion Date.
- (c) Upon exercise of the Company Recapitalization Conversion Option and surrender of the Series E Preferred Shares by a holder thereof, the Corporation shall issue and shall deliver or cause to be issued and delivered to such holder, or to such other person on such holder's written order, (a) one or more certificates representing the number of validly issued, fully paid and non-assessable full shares of Common Stock to which a holder of the Series E Preferred Shares being converted, or a holder's transferee, shall be entitled and (b) any fractional interest in respect of a share of Common Stock arising upon such conversion shall be settled as provided in Section 22(g).
- (d) Each conversion shall be deemed to have been made at the close of business on the Company Recapitalization Conversion Date so that the rights of the holder thereof as to the Series E Preferred Shares being converted will cease except for the right to receive the Recapitalization Conversion Value, and, if applicable, the Person entitled to receive shares of Common Stock shall be treated for all purposes as having become the record holder of those shares of Common Stock at that time.
- (e) In lieu of the foregoing procedures, if the Series E Preferred Shares are held in global form, each holder of beneficial interests in the Global Preferred Stock must comply with the procedures of DTC to convert such holder's beneficial interests in respect of the Series E Preferred Shares evidenced by the Global Preferred Stock.

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- (f) If the Corporation exercises the Company Recapitalization Conversion Option, no dividends (including, for the avoidance of doubt, any accumulated and unpaid dividends, whether or not in arrears as of the Company Recapitalization Conversion Date) shall be payable to the holder of the converted shares.
- (g) In connection with the conversion of any Series E Preferred Shares, no fractional shares of Common Stock shall be issued, but the Corporation shall pay a cash amount in lieu of issuing any fractional share in an amount equal to the fractional interest multiplied by the Closing Sale Price on the Trading Day immediately prior to the Company Recapitalization Conversion Date. If more than one Series E Preferred Share will be surrendered for conversion by the same holder at the same time, the number of full shares of Common Stock issuable on conversion of those Series E Preferred Shares shall be computed on the basis of the total number of Series E Preferred Shares so surrendered.

Section 23. Adjustment of Recapitalization Conversion Rate.

- (a) In case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series E Preferred Shares are outstanding, issue Common Stock as a dividend or distribution to all or substantially all holders of Common Stock, then the Recapitalization Conversion Rate in effect immediately prior to the close of business on the Common Stock Record Date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be increased by multiplying such Recapitalization Conversion Rate by a fraction:
 - (i) the numerator of which shall be the sum of the total number of shares of Common Stock outstanding at the close of business on such Common Stock Record Date and the total number of shares of Common Stock constituting such dividend or other distribution; and
 - (ii) the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on such Common Stock Record Date.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date fixed for such determination. If any dividend or distribution of the type described in this Section 23(a) is declared but not so paid or made, the Recapitalization Conversion Rate shall again be adjusted to the Recapitalization Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

- (b) In case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series E Preferred Shares are outstanding, subdivide, reclassify or split its outstanding shares of Common Stock into a greater number of shares of Common Stock, the Recapitalization Conversion Rate in effect immediately prior to the opening of business on the day following the day upon which such subdivision, reclassification or split becomes effective shall be proportionately increased, and, conversely, in case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any of the Series E Preferred Shares are outstanding, combine or reclassify its outstanding shares of Common Stock into a smaller number of shares of Common Stock, the Recapitalization Conversion Rate in effect immediately prior to the opening of business on the day following the day upon which such combination or reclassification becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately prior to the opening of business on the day following the day upon which such subdivision, reclassification, split or combination becomes effective, so that the holder of any Series E Preferred Share thereafter surrendered for conversion shall be entitled to receive that number of shares of Common Stock which it would have received had such Series E Preferred Share been converted immediately prior to the happening of such event adjusted as a result of such event.
- (c)

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In case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series E Preferred Shares are outstanding, issue rights or warrants for a period expiring within sixty (60) days to all or substantially all holders of its outstanding Common Stock entitling them to subscribe for or purchase Common Stock (or securities convertible into or

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exchangeable or exercisable for Common Stock), at a price per share of Common Stock (or having a conversion, exchange or exercise price per share of Common Stock) less than the Closing Sale Price of the Common Stock on the Trading Day immediately preceding the date of the announcement by public notice of such issuance or distribution (treating the conversion, exchange or exercise price per share of Common Stock of the securities convertible, exchangeable or exercisable into Common Stock as equal to (x) the sum of (i) the price for a unit of the security convertible into or exchangeable or exercisable for Common Stock and (ii) any additional consideration initially payable upon the conversion of or exchange or exercise for such security into Common Stock divided by (y) the number of shares of Common Stock initially underlying such convertible, exchangeable or exercisable security), then the Recapitalization Conversion Rate shall be increased by multiplying the Recapitalization Conversion Rate in effect at the opening of business on the date after such date of announcement by a fraction:

- (i) the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date of announcement, plus the total number of additional shares of Common Stock so offered for subscription or purchase (or into which the convertible, exchangeable or exercisable securities so offered are convertible, exchangeable or exercisable); and
- (ii) the denominator of which shall be the number of shares of Common Stock outstanding on the close of business on the date of announcement, plus the number of shares of Common Stock (or convertible, exchangeable or exercisable securities) which the aggregate offering price of the total number of shares of Common Stock (or convertible, exchangeable or exercisable securities) so offered for subscription or purchase (or the aggregate conversion, exchange or exercise price of the convertible, exchangeable or exercisable securities so offered) would purchase at such Closing Sale Price of the Common Stock.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such determination. To the extent that shares of Common Stock (or securities convertible, exchangeable or exercisable into shares of Common Stock) are not delivered pursuant to such rights or warrants, upon the expiration or termination of such rights or warrants, the Recapitalization Conversion Rate shall be readjusted to the Recapitalization Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of shares of Common Stock (or securities convertible, exchangeable or exercisable into shares of Common Stock) actually delivered. In the event that such rights or warrants are not so issued, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if the Common Stock Record Date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such Closing Sale Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants, the value of such consideration if other than cash, to be determined by the Board of Directors.

- (d) (1) In case the Corporation shall, at any time or from time to time during the Recapitalization Conversion Period, while any Series E Preferred Shares are outstanding, by dividend or otherwise, distribute to all or substantially all holders of its outstanding shares of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Corporation is the continuing Corporation and the shares of Common Stock are not changed or exchanged), any Distributed Assets then, in each such case, subject to paragraphs (4) and (5) of this Section 23(d), the Recapitalization Conversion Rate shall be increased by multiplying the Recapitalization Conversion Rate in effect immediately prior to the close of business on the Common Stock Record Date with respect to such distribution by a fraction:

- (i) the numerator of which shall be the Current Market Price; and

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- (ii) the denominator of which shall be such Current Market Price, less the Fair Market Value on such date of the portion of the Distributed Assets so distributed applicable to one share of Common Stock (determined on the basis of the number of shares of Common Stock outstanding on such Record Date) on such date.

Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such distribution. In the event that such dividend or distribution is not so paid or made, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

(2) If the Board of Directors determines the Fair Market Value of any distribution for purposes of this Section 23(d) by reference to the actual or when issued trading market for any Distributed Assets comprising all or part of such distribution, it must in doing so consider the prices in such market over the Reference Period used in computing the Current Market Price pursuant to this Section 23(d) to the extent possible, unless the Board of Directors determines in good faith that determining the Fair Market Value during the Reference Period would not be in the best interest of the holders of the Series E Preferred Shares.

(3) In the event any such distribution consists of a Spin Off, the Fair Market Value of the securities to be distributed shall equal the average of the Closing Sale Prices of such securities for the five consecutive Trading Days commencing on and including the sixth Trading Day of those securities after the effectiveness of the Spin Off, and the Current Market Price shall be measured for the same period. In the event, however, that an underwritten initial public offering of the securities in the Spin Off occurs simultaneously with the Spin Off, Fair Market Value of the securities distributed in the Spin Off shall mean the initial public offering price of such securities and the Current Market Price shall mean the Closing Sale Price for the Common Stock on the same Trading Day.

(4) Rights or warrants distributed by the Corporation to all holders of the outstanding shares of Common Stock entitling them to subscribe for or purchase equity securities of the Corporation (either initially or under certain circumstances), which rights or warrants, until the occurrence of a Trigger Event, (x) are deemed to be transferred with such shares of Common Stock, (y) are not exercisable and (z) are also issued in respect of future issuances of shares of Common Stock shall be deemed not to have been distributed for purposes of this Section 23(d) (and no adjustment to the Recapitalization Conversion Rate under this Section 23(d) shall be required) until the occurrence of the earliest Trigger Event. If such right or warrant is subject to subsequent events, upon the occurrence of which such right or warrant shall become exercisable to purchase different Distributed Assets, or entitle the holder to purchase a different number or amount of the foregoing Distributed Assets or to purchase any of the foregoing Distributed Assets at a different purchase price, then the occurrence of each such event shall be deemed to be the date of issuance and Common Stock Record Date with respect to a new right or warrant (and a termination or expiration of the existing right or warrant without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto, that resulted in an adjustment to the Recapitalization Conversion Rate under this Section 23(d):

- (i) in the case of any such rights or warrants which shall all have been repurchased without exercise by any holders thereof, the Recapitalization Conversion Rate shall be readjusted upon such final repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share repurchase price received by a holder of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such repurchase; and

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- (ii) in the case of such rights or warrants which shall have expired or been terminated without exercise, the Recapitalization Conversion Rate shall be readjusted as if such rights and warrants had never been issued.
- (5) For purposes of this Section 23(d) and Section 23(a), Section 23(b) and Section 23(c), any dividend or distribution to which this Section 23(d) is applicable that also includes (x) shares of Common Stock, (y) a subdivision, split or combination of shares of Common Stock to which Section 23(b) applies or (z) rights or warrants to subscribe for or purchase shares of Common Stock to which Section 23(c) applies (or any combination thereof), shall be deemed instead to be:
- (i) a dividend or distribution of the evidences of indebtedness, assets, shares of capital stock, rights or warrants, other than such shares of Common Stock, such subdivision, split or combination or such rights or warrants to which Section 23(a), Section 23(b) and Section 23(c) apply, respectively (and any Recapitalization Conversion Rate adjustment required by this Section 23(d) with respect to such dividend or distribution shall then be made), immediately followed by
- (ii) a dividend or distribution of such shares of Common Stock, such subdivision, split or combination or such rights or warrants (and any further Recapitalization Conversion Rate increase required by Section 23(a), Section 23(b) and Section 23(c) with respect to such dividend or distribution shall then be made), except:
- (A) the Common Stock Record Date of such dividend or distribution shall be substituted as (x) the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, Common Stock Record Date fixed for such determinations and Common Stock Record Date within the meaning of Section 23(a), (y) the day upon which such subdivision or split becomes effective or the day upon which such combination becomes effective (as applicable) within the meaning of Section 23(b), and (z) as the Common Stock Record Date fixed for the determination of the stockholders entitled to receive such rights or warrants and such Common Stock Record Date within the meaning of Section 23(c); and
- (B) any reduction or increase in the number of shares of Common Stock resulting from such subdivision, split or combination (as applicable) shall be disregarded in connection with such dividend or distribution.
- (e) In case the Corporation shall, at any time or from time to time while any Series E Preferred Shares are outstanding, by dividend or otherwise, distribute to all or substantially all holders of its outstanding shares of Common Stock during any quarterly fiscal period, cash (including any quarterly cash dividends, but excluding any cash that is distributed upon a reclassification, change, merger, consolidation, sale or other disposition to which Section 8 applies or as part of a distribution referred to in Section 23(d)) then, and in each case, immediately after the close of business on such date, the Recapitalization Conversion Rate shall be adjusted based on the following formula:
- $$RCR1 = RCR_0 \times (SP / (SP - DI))$$
- where,
- (ii) RCR_0 = the Recapitalization Conversion Rate in effect immediately prior to the Common Stock Record Date for such distribution;
- (iii) $RCR1$ = the Recapitalization Conversion Rate in effect immediately after the Common Stock Record Date for such distribution;

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- (iv) SP = the average of the Closing Sale Price per share of Common Stock over the ten (10) consecutive Trading Day period prior to the Trading Day immediately preceding the earlier of the Common Stock Record Date or the ex-dividend date of such cash excess dividend or cash excess distribution; and

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(v) DI = the amount in cash per share the Corporation distributes to holders of shares of Common Stock. Such increase shall become effective immediately prior to the opening of business on the day following the Common Stock Record Date for such distribution. In the event that such distribution is not so made, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such distribution had not been declared.

(f) In case the Corporation or any of its subsidiaries or employee benefit plans of the Corporation funded with shares of the Common Stock make purchases of Common Stock pursuant to a tender offer or exchange offer that involves an aggregate consideration that exceeds ten percent (10%) of the aggregate market value of the Common Stock on the Expiration Time, the Recapitalization Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Recapitalization Conversion Rate in effect immediately prior to the close of business on the date of the Expiration Time by a fraction:

- (i) the numerator of which shall be the sum of (x) the product of (i) the number of shares of Common Stock outstanding (excluding any tendered or exchanged shares) at the Expiration Time and (ii) the Current Market Price of the Common Stock at the Expiration Time, and (y) the Fair Market Value of the aggregate consideration payable to stockholders based on acceptance (up to any maximum specified in the terms of the tender offer or exchange offer) of all shares validly tendered and not withdrawn as of the Expiration Time; and
- (ii) the denominator of which shall be the product of the number of shares of Common Stock outstanding (including any tendered or exchanged shares) at the Expiration Time and the Current Market Price of the Common Stock at the Expiration Time.

Such increase (if any) shall become effective immediately prior to the opening of business on the day following the Expiration Time. In the event that the Corporation or any other Person is obligated to purchase shares pursuant to any such tender offer or exchange offer, but the Corporation or such other Person does not effect any such purchases or all or a portion of such purchases are rescinded, the Recapitalization Conversion Rate shall again be adjusted to be the Recapitalization Conversion Rate which would then be in effect if such (or such portion of the) tender offer or exchange offer had not been made. If the application of this Section 23(f) to any tender offer or exchange offer would result in a decrease in the Recapitalization Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this Section 23(f).

(g) For purposes of Section 23 of this Certificate, the following terms shall have the meanings indicated:
 Current Market Price on any date means the average of the daily Closing Sale Prices per share of Common Stock for the ten (10) consecutive Trading Days immediately prior to such date; provided, however, that if:

- (i) the ex date (as hereinafter defined) for any event (other than the issuance or distribution requiring such computation of Current Market Price) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 23(a), Section 23(b), Section 23(c), Section 23(d), Section 23(e) or Section 23(f) occurs during such ten consecutive Trading Days, the Closing Sale Price for each Trading Day prior to the ex date for such other event shall be adjusted by multiplying such Closing Sale Price by the same fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event;
- (ii) the ex date for any event (other than the issuance or distribution requiring such computation of Current Market Price) that requires an adjustment to the Recapitalization Conversion Rate

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pursuant to Section 23(a), Section 23(b), Section 23(c), Section 23(d), Section 23(e) or Section 23(f) occurs on or after the ex date for the issuance or distribution requiring such computation and prior to the day in question, the Closing Sale Price for each Trading Day on and after the ex date for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event; and

- (iii) the ex date for the issuance or distribution requiring such computation is prior to the day in question, after taking into account any adjustment required pursuant to clause (i) or (ii) of this proviso, the Closing Sale Price for each Trading Day on or after such ex date shall be adjusted by adding thereto the amount of any cash and the Fair Market Value (as determined by the Board of Directors in a manner consistent with any determination of such value for purposes of Section 23(d), Section 23(e) or Section 23(f)) of the evidences of indebtedness, shares of capital stock or assets being distributed applicable to one share of Common Stock as of the close of business on the day before such ex date.

For purposes of any computation under this Section 23, if the ex date for any event (other than the tender offer requiring such computation) that requires an adjustment to the Recapitalization Conversion Rate pursuant to Section 23(a), Section 23(b), Section 23(c), Section 23(d), Section 23(e) or Section 23(f) occurs on or after the Expiration Time for the tender or exchange offer requiring such computation and prior to the day in question, the Closing Sale Price for each Trading Day on and after the ex date for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Recapitalization Conversion Rate is so required to be adjusted as a result of such other event. For purposes of this paragraph, the term ex date, when used:

- (A) with respect to any issuance or distribution, means the first date on which the Common Stock trade regular way on the relevant exchange or in the relevant market from which the Closing Sale Price was obtained without the right to receive such issuance or distribution;
- (B) with respect to any subdivision, split or combination of Common Stock, means the first date on which the Common Stock trade regular way on such exchange or in such market after the time at which such subdivision, split or combination becomes effective; and
- (C) with respect to any tender offer or exchange offer, means the first date on which the Common Stock trade regular way on such exchange or in such market after the Expiration Time of such offer.

Notwithstanding the foregoing, whenever successive adjustments to the Recapitalization Conversion Rate are called for pursuant to this Section 23, such adjustments shall be made to the Current Market Price as may be necessary or appropriate to effectuate the intent of this Section 23 and to avoid unjust or inequitable results as determined in good faith by the Board of Directors.

Fair Market Value means the amount which a willing buyer would pay a willing seller in an arm's length transaction (as determined by the Board of Directors, whose determination shall be made in good faith and, absent manifest error, shall be final and binding on holders of the Series E Preferred Shares).

Common Stock Record Date means, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

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- (h) The Corporation shall be entitled to make such additional increases in the Recapitalization Conversion Rate, in addition to those required by Section 23(a), Section 23(b), Section 23(c), Section 23(d), Section 23(e) or Section 23(f), if the Board of Directors determines that it is advisable, in order that any dividend or distribution of Common Stock, any subdivision, reclassification or combination of Common Stock or any issuance of rights or warrants referred to above, or any event treated as such for United States federal income tax purposes, shall not be taxable to the holders of Common Stock for United States federal income tax purposes or to diminish any such tax.
- (i) To the extent permitted by law, the Corporation may, from time to time, increase the Recapitalization Conversion Rate for a period of at least twenty (20) Trading Days if the Board of Directors determines that such an increase would be in the Corporation's best interests. Any such determination by Board of Directors shall be conclusive. The Corporation shall give holders of Series E Preferred Shares at least fifteen (15) Trading Days' notice of any such increase in the Recapitalization Conversion Rate.
- (j) The Corporation shall not be required to make an adjustment in the Recapitalization Conversion Rate unless the adjustment would require a change of at least one percent (1.0%) in the Recapitalization Conversion Rate. However, any adjustments that are not required to be made because they would have required an increase or decrease of less than one percent (1.0%) shall be carried forward and taken into account in any subsequent adjustment of the Recapitalization Conversion Rate or in connection with any conversion of the Series E Preferred Stock. Except as described in this Section 23, the Corporation shall not adjust the Recapitalization Conversion Rate for any issuance of our shares of Common Stock or any securities convertible into or exchangeable or exercisable for its shares of Common Stock or rights to purchase its shares of Common Stock or such convertible, exchangeable or exercisable securities.
- (k) In the event that at any time, as a result of an adjustment made pursuant to this Section 23, the holder of any Series E Preferred Shares thereafter surrendered for conversion shall become entitled to receive any shares of Capital Stock of the Corporation other than Common Stock into which the Series E Preferred Shares originally were convertible, the Recapitalization Conversion Rate of such other shares so receivable upon conversion of any such Series E Preferred Share shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in subparagraphs (a) through (l) of this Section 23, and any other applicable provisions of this Certificate with respect to the Common Stock shall apply on like or similar terms to any such other shares.
- (l) To the extent the Corporation has a rights plan in effect upon conversion of the Series E Preferred Shares for shares of Common Stock, the holder will receive, in addition to the shares of Common Stock, the rights under the rights plan unless the rights have separated from the shares of Common Stock prior to the time of conversion, in which case the Recapitalization Conversion Rate shall be adjusted at the time of separation as if the Corporation made a distribution referred to in Section 23(d) above (without regard to any of the exceptions there).

FOURTH: This Certificate of Amendment to Certificate of Designation was duly adopted by the Corporation's directors and stockholders in accordance with the applicable provisions of Sections 242 of the DGCL.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment to Certificate of Designation on the date first written above.

**GOODRICH PETROLEUM
CORPORATION**

By:

Name: Michael J. Killelea

Title: Senior Vice President, General Counsel
and Corporate Secretary

SIGNATURE PAGE TO CERTIFICATE OF AMENDMENT TO

CERTIFICATE OF DESIGNATION OF

10.00% SERIES E CUMULATIVE CONVERTIBLE PREFERRED STOCK OF

GOODRICH PETROLEUM CORPORATION

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GOODRICH PETROLEUM CORPORATION

PROXY

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY FOR
THE SPECIAL MEETING OF STOCKHOLDERS ON MARCH 11, 2016**

The undersigned hereby constitutes and appoints Walter G. Goodrich and Robert C. Turnham, Jr. and each and either of them, his true and lawful attorneys and proxies with full power of substitution, for and in the name, place and stead of the undersigned, to attend the Special Meeting of Stockholders of Goodrich Petroleum Corporation to be held at The Coronado Club located at 919 Milam Street, Suite 500, Houston, Texas 77002, on March 11, 2016 at 11:00 a.m. Central Daylight Time, and any adjournment(s) or postponement(s) thereof, with all powers the undersigned would possess if personally present and to vote thereof, as provided on the reverse side of this card, the number of shares the undersigned would be entitled to vote if personally present. In accordance with their discretion, said attorneys and proxies are authorized to vote upon such other matters as may properly come before the meeting or any adjournment thereof.

YOUR VOTE IS IMPORTANT.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED, OR IF NO DIRECTION IS INDICATED, THE NAMED PROXIES WILL VOTE FOR PROPOSAL 1. STOCKHOLDERS ARE URGED TO DATE, MARK, SIGN AND RETURN THIS PROXY PROMPTLY IN THE ENVELOPE PROVIDED, WHICH REQUIRES NO POSTAGE IF MAILED WITHIN THE UNITED STATES.

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SPECIAL MEETING OF STOCKHOLDERS OF

GOODRICH PETROLEUM CORPORATION

March 11, 2016

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THE BOARD OF DIRECTORS RECOMMENDS

A VOTE OF FOR WITH RESPECT TO PROPOSAL 1

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

	For	Against	Abstain
Preferred Series B:			
1. Approve an amendment to the Certificate of Designation of the Series B Preferred Stock to convert at the Company's option the Series B Preferred Stock into Common Stock at the conversion rate of 8.899 shares of Common Stock for each share of Series B Preferred Stock within 90 days of successful completion of the Series B

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Preferred Exchange Offer.

Signature of Stockholder

Date:

Signature of Stockholder

Date:

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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SPECIAL MEETING OF STOCKHOLDERS OF

GOODRICH PETROLEUM CORPORATION

March 11, 2016

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TELEPHONE - Call toll-free **1-800-PROXIES** (1-800-776-9437) in the United States or **1-718-921-8500** from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call.

COMPANY NUMBER
ACCOUNT NUMBER

Vote online/phone until 11:59 PM EST the day before the meeting.

MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Special Meeting.

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THE BOARD OF DIRECTORS RECOMMENDS

A VOTE OF FOR WITH RESPECT TO PROPOSAL 1

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

	Preferred Series B	For	Against	Abstain
1	Approve an amendment to the Certificate of Designation of the Series B Preferred Stock to convert at the Company's option the Series B Preferred Stock into Common Stock at the conversion rate of 8.899 shares of Common Stock for each share of Series B Preferred Stock within 90 days of successful completion of the Series B Preferred Exchange Offer.

INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here: 1

To change the address on your account, please check the box at right and indicate your new address in the address space above. .. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Stockholder

Date:

Signature of Stockholder

Date:

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer

is a partnership, please sign in partnership name by authorized person.

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GOODRICH PETROLEUM CORPORATION

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THE SPECIAL MEETING OF STOCKHOLDERS ON MARCH 11, 2016**

The undersigned hereby constitutes and appoints Walter G. Goodrich and Robert C. Turnham, Jr. and each and either of them, his true and lawful attorneys and proxies with full power of substitution, for and in the name, place and stead of the undersigned, to attend the Special Meeting of Stockholders of Goodrich Petroleum Corporation to be held at The Coronado Club located at 919 Milam Street, Suite 500, Houston, Texas 77002, on March 11, 2016 at 11:00 a.m. Central Daylight Time, and any adjournment(s) or postponement(s) thereof, with all powers the undersigned would possess if personally present and to vote thereof, as provided on the reverse side of this card, the number of shares the undersigned would be entitled to vote if personally present. In accordance with their discretion, said attorneys and proxies are authorized to vote upon such other matters as may properly come before the meeting or any adjournment thereof.

YOUR VOTE IS IMPORTANT.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED, OR IF NO DIRECTION IS INDICATED, THE NAMED PROXIES WILL VOTE FOR PROPOSAL 2. STOCKHOLDERS ARE URGED TO DATE, MARK, SIGN AND RETURN THIS PROXY PROMPTLY IN THE ENVELOPE PROVIDED, WHICH REQUIRES NO POSTAGE IF MAILED WITHIN THE UNITED STATES.

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SPECIAL MEETING OF STOCKHOLDERS OF

GOODRICH PETROLEUM CORPORATION

March 11, 2016

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THE BOARD OF DIRECTORS RECOMMENDS

A VOTE OF FOR WITH RESPECT TO PROPOSAL 2

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

	For	Against	Abstain
Preferred Series C:			
2 Approve an amendment to the Certificate of Designation of the Series C Preferred Stock to convert at the Company's option the Series C Preferred Stock into Common Stock at the conversion rate of 4.449 shares of Common Stock for each share of Series C Preferred Stock within 90 days of successful completion of the Series C

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Preferred Exchange Offer.

Signature of Stockholder

Date:

Signature of Stockholder

Date:

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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SPECIAL MEETING OF STOCKHOLDERS OF

GOODRICH PETROLEUM CORPORATION

March 11, 2016

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**COMPANY NUMBER
ACCOUNT NUMBER**

Vote online/phone until 11:59 PM EST the day before the meeting.

MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Special Meeting.

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THE BOARD OF DIRECTORS RECOMMENDS

A VOTE OF FOR WITH RESPECT TO PROPOSAL 2

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

	For	Against	Abstain
2 Preferred Series C Approve an amendment to the Certificate of Designation of the Series C Preferred Stock to convert at the Company's option the Series C Preferred Stock into Common Stock at the conversion rate of 4.449 shares of Common Stock for each share of Series C Preferred Stock within 90 days of successful completion of the Series C Preferred Exchange Offer.

INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here **1**

To change the address on your account, please check the box at right and indicate your new address in the address space above. **..**
Please note that changes to the registered name(s) on the account may not be submitted via this method.

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Signature of Stockholder

Date:

Signature of Stockholder

Date:

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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The undersigned hereby constitutes and appoints Walter G. Goodrich and Robert C. Turnham, Jr. and each and either of them, his true and lawful attorneys and proxies with full power of substitution, for and in the name, place and stead of the undersigned, to attend the Special Meeting of Stockholders of Goodrich Petroleum Corporation to be held at The Coronado Club located at 919 Milam Street, Suite 500, Houston, Texas 77002, on March 11, 2016 at 11:00 a.m. Central Daylight Time, and any adjournment(s) or postponement(s) thereof, with all powers the undersigned would possess if personally present and to vote thereof, as provided on the reverse side of this card, the number of shares the undersigned would be entitled to vote if personally present. In accordance with their discretion, said attorneys and proxies are authorized to vote upon such other matters as may properly come before the meeting or any adjournment thereof.

YOUR VOTE IS IMPORTANT.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED, OR IF NO DIRECTION IS INDICATED, THE NAMED PROXIES WILL VOTE FOR PROPOSAL 3. STOCKHOLDERS ARE URGED TO DATE, MARK, SIGN AND RETURN THIS PROXY PROMPTLY IN THE ENVELOPE PROVIDED, WHICH REQUIRES NO POSTAGE IF MAILED WITHIN THE UNITED STATES.

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SPECIAL MEETING OF STOCKHOLDERS OF

GOODRICH PETROLEUM CORPORATION

March 11, 2016

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THE BOARD OF DIRECTORS RECOMMENDS

A VOTE OF FOR WITH RESPECT TO PROPOSAL 3

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

	For	Against	Abstain
Preferred Series D:			
3 Approve an amendment to the Certificate of Designation of the Series D Preferred Stock to convert at the Company's option the Series D Preferred Stock into Common Stock at the conversion rate of 4.449 shares of Common Stock for each share of Series D Preferred Stock within 90 days of successful completion of the Series D

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Preferred Exchange Offer.

Signature of Stockholder

Date:

Signature of Stockholder

Date:

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person. ¢

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SPECIAL MEETING OF STOCKHOLDERS OF

GOODRICH PETROLEUM CORPORATION

March 11, 2016

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COMPANY NUMBER
ACCOUNT NUMBER

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MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Special Meeting.

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THE BOARD OF DIRECTORS RECOMMENDS

A VOTE OF FOR WITH RESPECT TO PROPOSAL 3

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

	Preferred Series D	For	Against	Abstain
3	Approve an amendment to the Certificate of Designation of the Series D Preferred Stock to convert at the Company's option the Series D Preferred Stock into Common Stock at the conversion rate of 4.449 shares of Common Stock for each share of Series D Preferred Stock within 90 days of successful completion of the Series D Preferred Exchange Offer.

INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here: **1**

To change the address on your account, please check the box at right and indicate your new address in the address space above. **..**
Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Stockholder

Date:

Signature of Stockholder

Date:

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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YOUR VOTE IS IMPORTANT.

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THE BOARD OF DIRECTORS RECOMMENDS

A VOTE OF FOR WITH RESPECT TO PROPOSAL 4

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

	For	Against	Abstain
Preferred Series E:			
4. Approve an amendment to the Certificate of Designation of the Series E Preferred Stock to convert at the Company's option the Series E Preferred Stock into Common Stock at the conversion rate of 5.188 shares of Common Stock for each share of Series E Preferred Stock within 90 days of successful completion of the Series E

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Exchange Offer.

Signature of Stockholder

Date:

Signature of Stockholder

Date:

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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GOODRICH PETROLEUM CORPORATION

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THE BOARD OF DIRECTORS RECOMMENDS

A VOTE OF FOR WITH RESPECT TO PROPOSAL 4

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE
OR BLACK INK AS SHOWN HERE x**

	Preferred Series E	For	Against	Abstain
4. Approve an amendment to the Certificate of Designation of the Series E Preferred Stock to convert at the Company's option the Series E Preferred Stock into Common Stock at the conversion rate of 5.188 shares of Common Stock for each share of Series E Preferred Stock within 90 days of successful completion of the Series E Exchange Offer.

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here: **I**

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. ..

Signature of Stockholder	Date:	Signature of Stockholder	Date:
<p>¢ Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.</p>			