

AMERICAN CAMPUS COMMUNITIES INC

Form S-4

April 02, 2008

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As filed with the Securities and Exchange Commission on April 2, 2008

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMERICAN CAMPUS COMMUNITIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

6798
(Primary Standard Industrial
Classification Code Number)
805 Las Cimas Parkway, Suite 400
Austin, Texas 78746
(512) 732-1000

76-0753089
(I.R.S. Employee
Identification No.)

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

William C. Bayless, Jr.
President and Chief Executive Officer
American Campus Communities, Inc.
805 Las Cimas Parkway, Suite 400
Austin, Texas 78746
(512) 732-1000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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

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

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

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

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

Large Accelerated filer Accelerated filer Non-accelerated filer
 (Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Note	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock	5,449,832	N/A	\$392,941,319	\$15,443

(1) The number of shares of American Campus Communities, Inc.'s common stock to be registered pursuant to this Registration Statement is based on the maximum number of shares of American Campus Communities, Inc.'s common stock issuable to holders of GMH Communities Trust's common shares and partnership units in the mergers at the exchange ratio of 0.07642 of a share of American Campus Communities, Inc.'s common stock in exchange for each GMH Communities Trust common share and in certain circumstances, each GMH Communities, LP partnership unit (based on an aggregate of 71,314,214 common shares of GMH Communities Trust and partnership units of GMH Communities, LP expected to be outstanding

(footnotes continue on following page)

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

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immediately prior to the effective time of the mergers). Includes up to 2,265,420 shares of American Campus Communities, Inc.'s common stock issuable upon conversion of 2,265,420 partnership units of American Campus Communities Operating Partnership LP (which represents the maximum number of partnership units of American Campus Communities Operating Partnership LP issuable in the mergers in exchange for partnership units of GMH Communities, LP). Pursuant to Rule 416(a) of the Securities Act of 1933, as amended, this registration statement also registers such additional shares of American Campus Communities, Inc. common stock as may become issuable to holders of partnership units to prevent dilution as a result of stock splits, stock dividends or similar transactions.

(2)

Pursuant to paragraphs (c), (f)(1) and (f)(3) of Rule 457 and estimated solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price equals: (i) the product of (A) \$8.87, the average of the high and low prices for GMH Communities Trust common shares as reported on the New York Stock Exchange on April 1, 2008, multiplied by (B) 71,314,214 common shares of GMH Communities Trust and partnership units of GMH Communities, LP expected to be outstanding immediately prior to the effective time of the mergers; less (ii) the amount of cash to be paid by American Campus Communities, Inc. in exchange for common shares of GMH Communities Trust and partnership units of GMH Communities, LP, or approximately \$239,615,759.

(3)

The registration fee for the securities registered hereby has been calculated pursuant to Section 6(b) of the Securities Act.

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Dear Shareholder:

On behalf of our Board of Trustees, I cordially invite you to attend a special meeting of shareholders of GMH Communities Trust, or GMH, a Maryland real estate investment trust, to be held on _____, 2008 at _____ a.m. local time. The special meeting will take place at _____.

At the special meeting, we will ask you to consider and approve the merger of American Campus Acquisition LLC, a Delaware limited liability company and a wholly-owned subsidiary of American Campus Communities Operating Partnership LP, the operating partnership of American Campus Communities, Inc., or ACC, with and into GMH. Upon completion of the merger, holders of our common shares will have the right to receive, in exchange for each common share owned, (i) \$3.36 in cash and (ii) 0.07642 of a common share of ACC, without interest and less any required withholding tax, as more fully described in the enclosed proxy statement/prospectus. On _____, 2008, the last trading date prior to the printing of the proxy statement/prospectus that accompanies this letter, the closing price of ACC's common shares as reported on the New York Stock Exchange was \$ _____ per share.

In addition, holders of our common shares are expected to receive, upon completion of the sale of GMH's military housing division to Balfour Beatty, Inc., a U.S. subsidiary of Balfour Beatty plc, a net distribution of approximately \$4.08 per share/unit, subject to adjustment as described in this proxy statement/prospectus. The closing of the military housing sale is a condition to the obligations of GMH and ACC to consummate the merger.

After careful consideration, our Board of Trustees unanimously approved the merger, the merger agreement and the other transactions contemplated by the merger agreement, and has declared each to be advisable and in the best interests of GMH and its shareholders. **Our Board of Trustees recommends that you vote "FOR" the approval of the merger.**

The affirmative vote of holders of at least two-thirds of our outstanding common shares that are entitled to vote at the special meeting is required to approve the merger. The proxy statement/prospectus accompanying this letter provides you with more specific information concerning the special meeting, the merger agreement and the other transactions contemplated by the merger agreement. We encourage you to read carefully the enclosed proxy statement/prospectus, including the appendices.

Your vote is very important, regardless of the number of common shares that you own. Whether or not you plan to attend the special meeting, we request that you cast your vote in accordance with the instructions set forth on the enclosed proxy card. If you attend the special meeting, you may continue to have your shares voted as instructed in the proxy, or you may withdraw your proxy at the special meeting and vote your shares in person. If you fail to vote by proxy or in person, or fail to instruct your broker on how to vote, it will have the same effect as a vote against approval of the merger.

Please do not send your common share certificates at this time. If the merger is approved, we will send specific instructions regarding the exchange of your certificates.

Thank you for your cooperation and continued support.

Very truly yours,

Gary M. Holloway, Sr.
Chairman, President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved, or passed upon the merits or fairness, of the merger, the merger agreement or the other transactions contemplated by the merger agreement, or

passed upon the adequacy or accuracy of the enclosed proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated _____, 2008 and is first being mailed to our shareholders on or about _____, 2008.

SOURCES OF ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about ACC and GMH that is not included or delivered with this document. This information is available without charge to ACC and GMH shareholders upon written or oral request. You can obtain the documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

American Campus Communities, Inc.
805 Las Cimas Parkway, Suite 400
Austin, Texas 78746
Attention: Investor Relations
Telephone: (512) 732-1000

GMH Communities Trust
10 Campus Boulevard
Newtown Square, Pennsylvania 19073
Attention: Investor Relations
Telephone: (610) 355-8000

To obtain timely delivery of requested documents prior to the special meeting of GMH shareholders, you must request them no later than , 2008, which is five business days prior to the date of the meeting.

Also see "Where You Can Find More Information" on page 137 of this proxy statement/prospectus.

ELECTRONIC AND TELEPHONE PROXY AUTHORIZATION

GMH shareholders of record on the close of business on , 2008, the record date for the GMH special meeting, may authorize their proxies to vote their shares by telephone or Internet by following the instructions on their proxy card or voting form. If you have any questions regarding how to authorize your proxy by telephone or by Internet, please call Georgeson Inc. toll-free at .

GMH COMMUNITIES TRUST

10 Campus Boulevard
Newtown Square, Pennsylvania 19073

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON _____, 2008

Dear GMH Shareholder:

You are cordially invited to attend a special meeting of the shareholders of GMH Communities Trust, a Maryland real estate investment trust, on _____, 2008, beginning at _____ a.m. local time, at _____. The special meeting is being held for the purpose of acting on the following matters:

1. To consider and vote on a proposal to approve the merger of American Campus Acquisition LLC, a Delaware limited liability company and a wholly-owned subsidiary of American Campus Communities Operating Partnership LP, the operating partnership of American Campus Communities, Inc., with and into GMH Communities Trust, pursuant to the Agreement and Plan of Merger, dated as of February 11, 2008, by and among GMH Communities Trust, GMH Communities, Inc., GMH Communities, LP, American Campus Communities, Inc., American Campus Communities Operating Partnership LP, American Campus Acquisition LLC and American Campus Acquisition Limited Partnership LP, referred to as the merger agreement; and
2. To consider and vote on a proposal to approve any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies if there are not sufficient votes at the time of the special meeting to approve the merger.

The merger agreement, which explains the merger, is attached to this proxy statement/prospectus as Annex A. Only shareholders of record as of the close of business on _____, 2008 will be entitled to notice of or to vote at the special meeting or any adjournment or postponement of that special meeting.

We encourage you to read the attached proxy statement/prospectus carefully. If you have any questions or need assistance voting your shares, please call our proxy solicitor, Georgeson Inc., toll-free at _____.

By Order of the Board of Trustees,

Joseph M. Macchione
Executive Vice President, General Counsel and Secretary

Newtown Square, Pennsylvania
_____, 2008

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SUMMARY

This Summary, together with the "Questions and Answers About the Mergers," summarizes the material information in this proxy statement/prospectus. To understand the mergers fully and for a more complete description of the legal terms of the mergers, you should read carefully this entire document and the documents to which we have referred you. This Summary also highlights, to a limited extent, the sale of GMH's military housing division, which closing is a condition to the obligations of American Campus Communities, Inc. and GMH Communities Trust to consummate the mergers. See "Where You Can Find More Information." Page references have been included parenthetically to direct you to a more complete description of the topics in this document.

The Companies

American Campus Communities, Inc.

805 Las Cimas Parkway, Suite 400
Austin, Texas 78746
(512) 732-1000

American Campus Communities, Inc., or ACC, is a fully integrated, self-managed and self-administered equity real estate investment trust, or REIT. Through its controlling interest in American Campus Communities Operating Partnership LP, or the ACC Operating Partnership, ACC is one of the largest owners, managers and developers of high quality student housing properties in the United States in terms of beds owned and under management with expertise in the acquisition, design, financing, development, construction management, leasing and management of student housing properties. As of December 31, 2007, its property portfolio contained 44 student housing properties with approximately 28,600 beds and approximately 9,500 apartment units, consisting of 38 owned off-campus properties that are in close proximity to colleges and universities, two American Campus Equity (ACE) on-campus properties currently under development that will be owned and operated under long-term ground/facility leases with a related university system and four on-campus participating properties operated under ground/facility leases with the related university systems. These communities contain modern housing units, offer resort-style amenities and are supported by a resident assistant system and other student-oriented programming.

ACC also provides construction management and development services primarily for student housing properties owned by colleges and universities, charitable foundations and others. As of December 31, 2007, ACC provided third-party management and leasing services for 19 properties (seven of which it served as the third-party developer and construction manager) that represented approximately 15,200 beds in approximately 6,000 units. Third-party management and leasing services are typically provided pursuant to multi-year management contracts that have initial terms that range from one to five years. As of December 31, 2007, ACC's total owned and managed portfolio included 63 properties with approximately 43,800 beds in approximately 15,500 units.

Each of American Campus Acquisition LLC and American Campus Acquisition Limited Partnership LP is a newly-formed subsidiary of American Campus Communities, Inc. that was formed solely for the purpose of effecting the mergers. Neither American Campus Acquisition LLC nor American Campus Acquisition Limited Partnership LP has conducted, nor will it conduct, any business prior to the mergers. ACC, the ACC Operating Partnership, American Campus Acquisition LLC and American Campus Acquisition Limited Partnership LP are collectively referred to as the ACC Parties in this proxy statement/prospectus.

GMH Communities Trust

10 Campus Boulevard
Newtown Square, Pennsylvania 19073
(610) 355-8000

GMH Communities Trust, or GMH, is a self-advised, self-managed, specialty housing company that focuses on providing housing to college and university students residing off-campus and to members of the U.S. military and their families. Through GMH Communities, LP, or the GMH Operating Partnership, GMH owns and operates its student housing properties and owns equity interests in joint ventures that own its military housing privatization projects. GMH generally provides the development, construction, renovation and management services for its military housing privatization projects and the property management services for student housing properties owned by others. In addition, through the GMH Operating Partnership, GMH provides consulting services with respect to the management of certain student housing properties owned by others, including colleges, universities and other private owners. GMH is one of the leading providers of housing, lifestyle and community solutions for students and members of the U.S. military and their families.

As of December 31, 2007, GMH owned or had ownership interests in 72 student housing properties, containing a total of 13,232 units and 42,670 beds and seven undeveloped or partially developed parcels of land held for development as student housing properties. Of this portfolio, it held a 10% interest in joint ventures that own eight of these student housing properties, covering a total of 1,140 units and 4,160 beds and provided management services for all of these properties. In addition to properties held through joint ventures, as of March 15, 2008, GMH managed a total of 12 student housing properties owned by others, containing a total of 2,239 units and 7,156 beds, including 48 units and 262 beds currently under construction. As of December 31, 2007, the GMH Operating Partnership had an ownership interest in and, through various wholly-owned subsidiaries, operated 12 military housing privatization projects, comprising an aggregate of approximately 25,288 end-state housing units on 37 military bases.

GMH Communities, Inc. is a newly-formed subsidiary of GMH Communities Trust that was formed solely for the purpose of effecting the mergers. GMH Communities, Inc. has not conducted, nor will it conduct, any business prior to the mergers. GMH, the GMH Operating Partnership and GMH Communities, Inc. are collectively referred to as the GMH Parties in this proxy statement/prospectus.

The Mergers (Page 66)

The merger agreement provides for the merger of American Campus Acquisition LLC, or the REIT Merger Sub, with and into GMH. In this proxy statement/prospectus, we refer to this merger as the REIT merger. Next, GMH, as the surviving entity, will be merged with and into GMH Communities, Inc., or the Delaware Company. In this proxy statement/prospectus, we refer to this merger as the reincorporation merger. Finally, American Campus Acquisition Limited Partnership LP, or the Partnership Merger Sub, will be merged with and into the GMH Operating Partnership. In this proxy statement/prospectus, we refer to this merger as the partnership merger. We also collectively refer to the REIT merger, the reincorporation merger and the partnership merger as the mergers. Each common share of GMH not owned by ACC, GMH or any of their respective subsidiaries and each unit of limited partnership in the GMH Operating Partnership not owned by GMH, the GMH Operating Partnership or its general partner will be entitled to receive at the closing of the REIT merger and the partnership merger, respectively, 0.07642 of a share of ACC's common stock and \$3.36 in cash, without interest, except, subject to certain conditions, in lieu of the receipt of ACC common stock, the holders of units in the GMH Operating Partnership may elect to receive 0.07642 of a common unit in the ACC Operating Partnership in the partnership merger.

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This proxy statement/prospectus does not constitute a solicitation of consents in respect of the partnership merger and does not constitute an offer to convert units of limited partnership in the GMH Operating Partnership that you may own for or into a common unit in the ACC Operating Partnership.

Military Housing Sale (Page 47)

Concurrently with entering into the merger agreement, GMH and the GMH Operating Partnership entered into a securities purchase agreement with Balfour Beatty, Inc. (a U.S. subsidiary of Balfour Beatty plc), or Balfour Beatty, and, solely for the purpose of Article 8 of the securities purchase agreement, Balfour Beatty plc, for the sale of GMH's military housing division. Pursuant to the securities purchase agreement, Balfour Beatty will acquire GMH's military housing division by purchasing all of the issued and outstanding capital stock and limited liability company interests of the three GMH subsidiaries owned by GMH and the GMH Operating Partnership and through which the military housing business is conducted.

The closing of the military housing sale is a condition precedent to the mergers and is currently expected to close in the second quarter of 2008. The securities purchase agreement provides that the parties will close no earlier than April 30, 2008. The military housing sale does not require shareholder approval and accordingly, is expected to close prior to the special meeting. GMH's board of trustees has determined that, if the mergers are not completed for any reason, GMH expects to continue with the military housing sale.

As consideration for the military housing sale, GMH will receive \$350.0 million in cash, subject to adjustment pursuant to the terms of the securities purchase agreement. This amount may be increased or decreased to the extent the estimated working capital (including unrestricted cash and accounts receivable) of the military housing division as of the closing of the military housing sale, plus any project investments made during 2008 (other than investments in Fort Hamilton), exceeds or is below \$14.5 million. Following the completion of the military housing sale, GMH intends to distribute to its shareholders the proceeds from the sale plus excess cash, if any, above the minimum working capital generated by the military housing division, net of expenses from the sale. GMH anticipates making two separate distributions relating to the military housing sale - one shortly after the closing of the military housing sale (which will exclude such amounts to be held back as determined at the discretion of GMH's board of trustees) and one immediately prior to the completion of the REIT merger (which will include such held back amounts, plus interest earned which has not been previously distributed). We refer to these distributions in this proxy statement/prospectus as the military sale distributions. The military housing sale is currently anticipated to result in total distributions to GMH shareholders and unitholders of approximately \$4.08 per share/unit, subject to adjustment as described in this proxy statement/prospectus.

Home Office and Disposition Properties (Page 48)

In connection with the mergers, GMH anticipates selling its home office immediately prior to the closing of the mergers, and will have the right, but not the obligation, to sell certain student housing properties, referred to in this proxy statement/prospectus as the disposition properties. A percentage of the amount received, if any, in connection with the sale of the home office and certain of the disposition properties is allowed to be paid under the merger agreement to GMH shareholders and unitholders as a special distribution preceding the closing of the mergers. Any amounts distributed as a special distribution will be in addition to the merger consideration.

If the home office is not sold to a third party unaffiliated with GMH prior to the closing of the mergers, then Gary M. Holloway, Sr., GMH's chairman, chief executive officer and president, is contractually obligated to purchase the home office pursuant to the put option to sell agreement, dated as of February 11, 2008, referred to in this proxy statement/prospectus as the put agreement, by no later than one business day prior to the REIT merger effective time for the sum of \$8.0 million.

GMH's board of trustees has established a committee of independent trustees, chaired by Denis J. Nayden, to sell the home office immediately prior to the closing of the mergers. This committee will decide whether or not to exercise GMH's rights under the put agreement. The home office committee has engaged Binswanger Corporation, a real estate broker, to market the home office.

The GMH Special Meeting

The Meeting Time and Place (Page 33)

The special meeting will be held on _____, 2008, at _____, starting at _____ a.m., local time.

Shareholders Entitled to Vote (Page 33)

Holders of record of GMH common shares at the close of business on the record date of _____, 2008 are entitled to notice of, and to vote at, the special meeting. On the record date, there were _____ GMH common shares outstanding, each of which will be entitled to one vote on each matter to be acted upon at the special meeting. The approval of ACC stockholders is not required to consummate the mergers.

Share Ownership of Directors and Executive Officers (Page 33)

As of the close of business on _____, 2008, the trustees and executive officers of GMH held and were entitled to vote, in the aggregate, _____ GMH common shares, representing approximately _____% of the outstanding GMH common shares. GMH currently expects that the trustees and executive officers of GMH will vote all of their GMH common shares "FOR" the approval of the REIT merger and, if necessary, in favor of adjournment to solicit additional proxies.

Proposals to be Considered at the Meeting (Page 33)

At the special meeting, GMH shareholders will be asked to consider and vote upon:

the proposal to approve the REIT merger; and

any adjournment or postponement of the special meeting.

The persons named in the accompanying proxy will also have discretionary authority to vote upon other business, if any, that properly comes before the special meeting and any adjournment or postponement of the special meeting.

Vote Required (Page 33)

The REIT merger requires the approval of the shareholders of GMH by the affirmative vote of at least two-thirds of the outstanding GMH common shares held of record as of the close of business on _____, 2008. Abstentions will be counted for quorum purposes and will have the same effect as votes "AGAINST" approval of the REIT merger proposal since the REIT merger proposal requires the affirmative vote of two-thirds of outstanding GMH common shares.

Risk Factors (Page 26)

In evaluating the REIT merger, you should carefully consider the "Risk Factors" beginning on page 26.

GMH's Recommendation to its Shareholders (Page 33)

GMH's board of trustees voted unanimously to approve the merger agreement, the mergers and the transactions contemplated under the merger agreement. GMH's board of trustees believes that

the REIT merger is in the best interests of GMH and its shareholders and recommends that GMH shareholders vote "FOR" the REIT merger.

Opinion of GMH's Financial Advisor (Page 54)

In connection with the mergers, GMH's board of trustees received a written opinion, dated February 11, 2008, from GMH's financial advisor, Wachovia Capital Markets, LLC, referred to in this proxy statement/prospectus as Wachovia Securities, as to the fairness, from a financial point of view and as of the date of such opinion, of the merger consideration, taken together with the payment of the military sale distributions, to be received by holders of GMH common shares and holders of GMH Operating Partnership units (other than GMH, the general partner of the GMH Operating Partnership and other subsidiaries of GMH). For purposes of its opinion, Wachovia Securities took into account, in the case of holders of GMH Operating Partnership units, only the merger consideration (taken together with the payment of the military sale distributions) that would be received by such holders if, prior to the consummation of the mergers, they converted their GMH Operating Partnership units into GMH common shares in accordance with the terms of the limited partnership agreement of the GMH Operating Partnership. **The full text of Wachovia Securities' written opinion, dated February 11, 2008, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, is attached as Annex B to this proxy statement/prospectus and is incorporated by reference in its entirety into this proxy statement/prospectus. This summary is qualified in its entirety by reference to the full text of the opinion. Wachovia Securities provided its opinion for the information and assistance of GMH's board of trustees in connection with its evaluation of the merger consideration, taken together with the payment of the military sale distributions, from a financial point of view. Wachovia Securities' opinion does not address any other aspect of the mergers or any related transaction, does not address the relative merits of the mergers or any related transaction and does not constitute a recommendation as to how any securityholder should vote or act in connection with the mergers (including, in the case of holders of GMH Operating Partnership units, as to whether such holder should elect to receive ACC Operating Partnership units, in lieu of ACC common stock, in the mergers) or any other matters.**

Ownership of ACC Following the Mergers

Based on the capitalization of GMH and ACC as of _____, 2008, the record date for the special meeting, holders of outstanding GMH common shares and partnership units in the GMH Operating Partnership will be entitled to receive as a result of the mergers a total of approximately _____ million shares of ACC common stock, representing approximately _____ % of the shares of ACC common stock outstanding following the mergers.

Conditions to the Mergers (Page 82)

The obligations of the parties to complete the mergers are subject to the following mutual conditions:

approval of the REIT merger by the required vote of GMH shareholders;

effectiveness of this proxy statement/prospectus and the absence of a stop order or proceedings threatened or initiated by the SEC for that purpose;

authorization by the New York Stock Exchange, or the NYSE, of the listing of the ACC common stock to be issued in the mergers, subject to official notice of issuance;

receipt of all the material approvals, authorizations and consents of any governmental authority required to consummate the mergers (all of which must be in full force and effect), and expiration or termination of all waiting periods relating to the approvals, authorizations and consents;

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absence of any injunction, order, decree or ruling issued by a governmental authority in the United States which is then in effect and would make consummation of the mergers illegal or prohibits the consummation of the mergers (provided, that the party claiming such factor has used commercially reasonable efforts to prevent the entry of such injunction or order and to appeal as promptly as possible any injunction or other order that may be entered); and

consummation of the military housing sale in accordance with the securities purchase agreement; provided, however, if the securities purchase agreement has been terminated, GMH may sell the military housing subsidiaries to a substitute buyer reasonably satisfactory to ACC upon such terms and conditions substantially similar to those in the securities purchase agreement.

The obligations of the ACC Parties to complete the mergers are further conditioned on:

the truth and correctness of the GMH Parties' representations and warranties (subject to the GMH material adverse effect standard in the merger agreement);

the performance in all material respects of GMH's covenants and agreements under the merger agreement at or prior to the REIT merger effective time;

there having occurred no change that would, individually or in the aggregate, constitute a GMH material adverse effect since February 11, 2008;

receipt by ACC of a certificate signed on GMH's behalf by an officer of GMH as to the satisfaction of the three conditions described in the three preceding bullet points;

receipt by ACC of a written opinion of Reed Smith LLP, to the effect that GMH has been organized and operated in conformity with the requirements for qualification as a REIT under the Internal Revenue Code, or the Code, for all taxable periods commencing with GMH's taxable year ended December 31, 2004 until the closing of the mergers;

receipt by GMH of consents from certain lenders in form and substance reasonably satisfactory to ACC; and

approval of the settlement agreement relating to the pending securities litigation by the United States District Court for the Eastern District of Pennsylvania, and satisfaction of all payments and other material obligations thereunder.

The obligations of the GMH Parties to complete the mergers are further conditioned on:

the truth and correctness of the ACC Parties' representations and warranties (subject to the ACC material adverse effect standard in the merger agreement);

performance in all material respects of ACC's covenants and agreements under the merger agreement at or prior to the REIT merger effective time;

there having occurred no change that would, individually or in the aggregate, constitute an ACC material adverse effect since February 11, 2008;

receipt by GMH of a certificate signed on ACC's behalf by an officer of ACC as to the satisfaction of the three conditions described in the three preceding bullet points; and

receipt by GMH of a written opinion of Locke Lord Bissell & Liddell LLP, to the effect that ACC has been organized and operated in conformity with the requirements for qualification as a REIT under the Code for all taxable periods commencing with ACC's taxable year ended December 31, 2004 through and including the closing date.

Termination (Page 84)

The merger agreement may be terminated prior to the REIT merger effective time, whether before or after the required GMH shareholder approval for the REIT merger is obtained:

by mutual written consent of ACC and GMH;

by either GMH or ACC, if GMH shareholders fail to approve the REIT merger at a duly held meeting (including any adjournment or postponement of such meeting);

by either GMH or ACC, if the REIT merger effective time has not occurred by July 31, 2008 (provided that this right will not be available to a party whose failure to fulfill any obligation under the merger agreement materially contributed to the failure of the REIT merger effective time to occur on or before this date);

by either GMH or ACC, if any governmental authority issues a final and non-appealable injunction, order, decree or ruling or takes any other action which makes consummation of the mergers illegal or otherwise prohibits consummation of the mergers (provided that the terminating party has used commercially reasonable efforts to oppose and have vacated the injunction, order, decree, ruling or action);

by ACC, if any of the GMH Parties breaches or fails to perform any of its representations, warranties, or covenants contained in the merger agreement in either case such that the related conditions to the obligations of ACC to close the mergers would be incapable of being satisfied on July 31, 2008;

by GMH, if any of the ACC Parties breaches or fails to perform any of its representation, warranties or covenants contained in the merger agreement in either case such that the related conditions to the obligations of GMH to close the mergers would be incapable of being satisfied by July 31, 2008;

by GMH, if any GMH Party enters into certain acquisition agreements in accordance with, and subject to the terms and conditions of, the non-solicitation covenant in the merger agreement (provided that for the termination of the merger agreement pursuant to this provision to be effective, GMH will simultaneously pay the termination fee and expenses of ACC as described below);

by ACC, if prior to receipt of the approval of GMH shareholders, (1) GMH's board of trustees or any committee of GMH's board of trustees (a) withdraws, qualifies, or modifies or proposes publicly to withdraw, qualify or modify, in each case, in a manner adverse to ACC, its approval or recommendation of the mergers or (b) approves or recommends, or proposes publicly to approve or recommend, an acquisition p