

PREFERRED APARTMENT COMMUNITIES INC  
Form 8-K  
January 02, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 2, 2015

Preferred Apartment Communities, Inc.  
(Exact Name of Registrant as Specified in its Charter)

Maryland (State or other Jurisdiction of Incorporation)	001-34995 (Commission File Number)	27-1712193 (I.R.S. Employer Identification No.)
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3284 Northside Parkway NW, Suite 150, Atlanta, Georgia (Address of Principal Executive Offices)	30327 (Zip Code)
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Registrant's telephone number, including area code: (770) 818-4100

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(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The compensation committee (the "Committee") of the Board of Directors (the "Board") of Preferred Apartment Communities, Inc. ("we", "us", or the "Company") approved the grant of 285,997 Class B Units (the "Class B Units") of Preferred Apartment Communities Operating Partnership, L.P. (the "Partnership") on January 2, 2015 to certain of our officers and directors and to certain other employees of the Company's manager who provide services to the Company and/or the Partnership. These grants were calculated using an aggregate compensation to all grantees of \$2,629,000. The Class B Unit grants to certain of our executive officers, which totaled 250,749 Class B Units, were in lieu of reimbursement for aggregate annual cash compensation of \$2,305,000 for 2015 for services to be rendered for the benefit of the Company and/or the Partnership. In making these grants, the Company acted in its capacity as the general partner of the Partnership.

The Class B Units will vest one year from the date of grant. The Class B Units can be earned based upon an aggregate \$2,629,000 increase in the market capitalization of the Company from a baseline value set on the date of grant. All market capitalization calculations will be based on the total number of shares outstanding on the date of grant which was 21,443,203 shares of common stock of the Company. A determination of the number of earned Class B Units will occur on the first anniversary of the date of grant and, to the extent not fully earned on that date, additional determinations will be made at the end of each calendar quarter thereafter until the Class B Units are fully earned or forfeited.

Earned Class B Units will automatically be converted on a one-for-one basis into Class A Units of the Partnership. Class A Units are exchangeable for shares of the Company's common stock on a one-for-one basis, or cash, as selected by the Company. The shares of the Company's common stock, if and when issued, will be issued pursuant to the Company's 2011 Stock Incentive Plan, as amended.

The Class B Units are designed to qualify as "profits interests" in the Partnership for federal income tax purposes. As a general matter, the profits interests characteristics of a Class B Unit mean that at the time of grant it will not be economically equivalent in value to a Class A Unit. The economic value of a Class B Unit can increase over time as it is earned.

The foregoing summary of the 2015 Class B Unit Award Agreement is qualified in its entirety by reference to the form 2015 Class B Unit Award, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

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Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
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10.1	Form of Preferred Apartment Communities, Inc. 2015 Class B Unit Award Agreement*
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\* Represents a management contract, or compensatory plan, contract or arrangement required to be filed pursuant to Regulation S-K.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PREFERRED APARTMENT COMMUNITIES, INC.  
(Registrant)

Date: January 2, 2015

By: /s/ Jeffrey R. Sprain  
Jeffrey R. Sprain  
General Counsel and Secretary