

UDR, Inc.  
Form 8-K/A  
November 10, 2011

**As filed with the Securities and Exchange Commission on November 10, 2011.**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K/A**

**(Amendment No. 2)**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 1, 2011**

**UDR, Inc.**

(Exact name of registrant as specified in its charter)

**Maryland**

**1-10524**

**54-0857512**

(State or other jurisdiction  
of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

**1745 Shea Center Drive, Suite 200,  
Highlands Ranch, Colorado**

**80129**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(720) 283-6120**

**Not Applicable**

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

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))
-

**Item 8.01 Other Events.**

On May 2, 2011, UDR Inc. ( UDR or the Company ) filed with the Securities and Exchange Commission ( SEC ) a Current Report on Form 8-K dated April 1, 2011 (Commission File No. 1-10524), reporting that the Company and its subsidiary United Dominion Realty L.P. (the Operating Partnership ), had during the 2011 fiscal year acquired various apartment communities located in New York City, New York; San Francisco, California; Peabody, Massachusetts; and Woburn, Massachusetts. On November 1, 2011, the Company filed with the SEC a Current Report on Form 8-K/A dated April 1, 2011 (Commission File No. 1-10524), reporting that the Company had acquired an additional apartment community in New York City, New York. These apartment community acquisitions are referred to as Previously Acquired Communities in this report, and include: 10 Hanover, 388 Beale, 14 North, Inwood West and Rivergate.

This Current Report on Form 8-K/A is being filed to report that on August 31, 2011, the Company and the Operating Partnership closed on an acquisition of a multifamily apartment community referred to as 95 Wall, located in New York City, New York. The community, which is comprised of 507 homes, was acquired for \$328.9 million. This transaction is considered individually significant at the time of the transaction under the rules governing the reporting of transactions on Form 8-K. In addition, this transaction, together with the transactions reported on the Form 8-K dated May 2, 2011 and the Form 8-K/A dated November 1, 2011, and other unrelated acquisitions completed during 2011, in the aggregate were significant pursuant to Rule 3-14 of Regulation S-X. The Company is therefore filing this Current Report on Form 8-K/A to include certain financial information with respect to the additional property acquired on August 31, 2011 and to provide updated pro forma financial statements for the year ended December 31, 2010 and the nine months ended September 30, 2011.

**Item 9.01 Financial Statements and Exhibits.**

The following financial statements are being filed in connection with the acquisition of certain communities as described in Item 8.01 as required by Sections 210.3-14 and 210.11-01 of Regulation S-X.

(a) Financial Statements of Real Estate Property Acquired

|                                                                                                                                                             |   |
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(c) Exhibits

23.1 Consent of Independent Auditors

**SIGNATURES**

Pursuant to the requirements of the Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

UDR, Inc.

Date: November 10, 2011

By: /s/ David L. Messenger  
David L. Messenger  
Senior Vice President & Chief Financial  
Officer  
*(duly authorized officer, principal financial  
officer and chief accounting officer)*

Report of Independent Auditors

Board of Directors

UDR, Inc.

We have audited the accompanying statement of revenues and certain operating expenses of 95 Wall for the year ended December 31, 2010. The statement of revenues and certain operating expenses is the responsibility of 95 Wall's management. Our responsibility is to express an opinion on the statement of revenues and certain operating expenses based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and certain operating expenses is free of material misstatement. We were not engaged to perform an audit of 95 Wall's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 95 Wall's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues and certain operating expenses, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in a Form 8-K to be filed by UDR, Inc. as described in Note 1, and is not intended to be a complete presentation of the 95 Wall's revenues and expenses.

In our opinion, the statement of revenues and certain operating expenses referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of 95 Wall for the year ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

Denver, Colorado  
November 9, 2011

/s/ Ernst & Young LLP

**95 Wall**  
**Statements of Revenues and Certain Operating Expenses**  
*(In thousands)*

|                                                  | <b>Eight<br/>Months<br/>Ended<br/><br/>August 31,<br/>2011<br/><i>(Unaudited)</i></b> | <b>Year Ended<br/>December<br/>31,<br/>2010</b> |
|--------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------|
| Revenues:                                        |                                                                                       |                                                 |
| Rental income                                    | \$ 11,391                                                                             | \$ 17,419                                       |
| Other property income                            | 954                                                                                   | 1,562                                           |
| Total revenues                                   | 12,345                                                                                | 18,981                                          |
| Certain operating expenses:                      |                                                                                       |                                                 |
| Personnel                                        | 935                                                                                   | 1,477                                           |
| Utilities                                        | 1,240                                                                                 | 1,694                                           |
| Repairs and maintenance                          | 508                                                                                   | 953                                             |
| Administrative and marketing                     | 1,043                                                                                 | 1,320                                           |
| Real estate taxes and insurance                  | 77                                                                                    | 261                                             |
| Total certain operating expenses                 | 3,803                                                                                 | 5,705                                           |
| Revenues in excess of certain operating expenses | \$ 8,542                                                                              | \$ 13,276                                       |

*See accompanying notes to financial statements.*

**95 Wall**  
**Notes to the Statements of Revenues and Certain Operating Expenses**  
**December 31, 2010**

**1. Basis of Presentation**

On August 31, 2011, UDR, Inc. acquired 95 Wall (the Community), a 22-story, 507-home apartment community located in New York, New York from 95 Wall Associates LLC. The accompanying unaudited statement of revenues and certain operating expenses for the eight months ended August 31, 2011 reflects the operations of the Community through the date of acquisition.

The statements of revenues and certain operating expenses relate to the operations of the Community and were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (SEC), including Rule 3-14 of Regulation S-X (Rule 3-14). Accordingly, the accompanying statements of revenues and certain expenses is not intended to be a complete presentation and certain expenses such as depreciation, amortization, mortgage interest expense, property management fees, income taxes, and entity expenses are not reflected in the statements of revenues and certain operating expenses in accordance with Rule 3-14. Consequently, the statements of revenues and certain operating expenses for the periods presented is not representative of the actual operations for the periods presented, as certain revenues and expenses which may not be in the proposed future operations of the Community have been excluded.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The statements of revenues and certain operating expenses are prepared on the accrual basis of accounting.

**Use of Estimates**

The preparation of the statements of revenues and certain operating expenses in conformity with U. S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosure of revenues and certain operating expenses of the Community. Actual results could differ from those estimates.

**Revenue Recognition**

The Community leases space to residential and commercial tenants under noncancelable operating lease agreements. As such, the Community recognizes rental revenue on a straight-line basis over the term of the lease. Rental income related to leases is recognized on an accrual basis when due from tenants. The apartment homes are leased with terms of generally one year. Advanced receipts of rental income are deferred and classified as liabilities until earned.

**Repairs and Maintenance**

Significant improvements, renovations or betterments that extend the economic useful life of the assets are capitalized. Expenditures for repairs and maintenance are expensed as incurred.

**3. Commitment and Contingencies**

From time to time, the Community is a party to legal proceedings and claims incidental to the ordinary course of business. While the outcome of these legal proceedings and claims cannot be predicted with certainty, management of the Community does not believe the ultimate resolution of these matters would have a material adverse effect on the Community's statements of revenues and certain operating expenses.

**95 Wall**  
**Notes to the Statements of Revenues and Certain Operating Expenses**  
**December 31, 2010**

**4. Tax Exemption and Abatement**

The Community was converted from an office property to a residential property in 2008 under the Section 421-g Program (the Program) administered by the NYC Department of Housing Preservation and Development to promote more productive use of non-residential buildings in Lower Manhattan. A partial tax exemption and abatement was given for the conversion of non-residential buildings to residential use in the eligible Lower Manhattan revitalization area. Under the terms of the Program, the Community is eligible for a tax abatement until 2023, as well as an exemption from real estate taxes until 2021, both of which include a four year phase out period. As a result, no real estate tax expense was recorded during the year ended December 31, 2010.

**5. Subsequent Events**

Management of the Community has evaluated subsequent events through November 9, 2011, the date on which the statements of revenues and certain operating expenses was issued.

**(b) Pro Forma Financial Information**

The Unaudited Pro Forma Consolidated Financial Statements (including notes thereto) are qualified in their entirety by reference to, and should be read in conjunction with, the Company's Current Report on Form 8-K filed with the SEC on August 5, 2011, the Form 8-K filed on May 2, 2011, the Form 8-K/A filed on November 1, 2011, and the financial statements included in Item 9.01(a) of this Current Report on Form 8-K/A.

The accompanying Unaudited Pro Forma Consolidated Balance Sheet as of September 30, 2011, reflects the financial position of the Company as if the acquisition described in the Notes to the Unaudited Pro Forma Consolidated Financial Statements had been completed on September 30, 2011. The accompanying Unaudited Consolidated Statements of Operations for the twelve months ended December 31, 2010 and the nine months ended September 30, 2011 present the results of operations of the Company as if the transactions described in the Notes to the Unaudited Pro Forma Consolidated Financial Statements had been completed on January 1, 2010.

The accompanying Unaudited Pro Forma Consolidated Financial Statements are subject to a number of estimates, assumptions, and other uncertainties, and do not purport to be indicative of the actual results of operations that would have occurred had the acquisitions reflected therein in fact occurred on the dates specified, nor do such financial statements purport to be indicative of the results of operations that may be achieved in the future. In addition, the Unaudited Pro Forma Consolidated Financial Statements include pro forma allocations of the purchase price for the properties discussed in the accompanying notes based upon preliminary estimates of the fair values of the assets acquired and liabilities assumed in connection with the acquisitions and are subject to change.

**UDR, INC.**  
**PRO FORMA CONSOLIDATED BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2011**  
(In thousands, except share and per share data)  
(unaudited)

| <b>ASSETS</b>                                                            | <b>UDR</b><br><b>(Historical)</b> | <b>Pro Forma</b><br><b>Adjustments</b><br><b>(a)</b> | <b>Pro Forma</b> |
|--------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------|------------------|
| Real estate owned:                                                       |                                   |                                                      |                  |
| Real estate held for investment                                          | \$ 7,988,133                      | \$                                                   | \$ 7,988,133     |
| Less: accumulated depreciation                                           | (1,794,150)                       |                                                      | (1,794,150)      |
| Real estate held for investment, net                                     | 6,193,983                         |                                                      | 6,193,983        |
| Real estate under development (net of accumulated depreciation of \$115) | 192,815                           |                                                      | 192,815          |
| Real estate held for sale (net of accumulated depreciation of \$9,835)   | 36,366                            |                                                      | 36,366           |
| Total real estate owned, net of accumulated depreciation                 | 6,423,164                         |                                                      | 6,423,164        |
| Cash and cash equivalents                                                | 13,482                            |                                                      | 13,482           |
| Marketable securities                                                    |                                   |                                                      |                  |
| Restricted cash                                                          | 19,641                            |                                                      | 19,641           |
| Deferred financing costs, net                                            | 23,709                            |                                                      | 23,709           |
| Notes receivable                                                         | 7,800                             |                                                      | 7,800            |
| Investment in unconsolidated joint ventures                              | 187,176                           |                                                      | 187,176          |
| Other assets                                                             | 129,931                           |                                                      | 129,931          |
| Total assets                                                             | \$ 6,804,903                      | \$                                                   | \$ 6,804,903     |

**LIABILITIES AND STOCKHOLDERS EQUITY**

|                                                               |              |    |              |
|---------------------------------------------------------------|--------------|----|--------------|
| Secured debt                                                  | \$ 2,004,525 | \$ | \$ 2,004,525 |
| Secured debt real estate held for disposition                 | 17,159       |    | 17,159       |
| Unsecured debt                                                | 1,967,661    |    | 1,967,661    |
| Real estate taxes payable                                     | 28,729       |    | 28,729       |
| Accrued interest payable                                      | 23,924       |    | 23,924       |
| Security deposits and prepaid rent                            | 37,685       |    | 37,685       |
| Distributions payable                                         | 47,489       |    | 47,489       |
| Deferred fees and gains on the sale of depreciable property   | 29,106       |    | 29,106       |
| Accounts payable, accrued expenses, and other liabilities     | 109,066      |    | 109,066      |
| Total liabilities                                             | 4,265,344    |    | 4,265,344    |
| Redeemable non-controlling interests in operating partnership | 208,766      |    | 208,766      |

Stockholders' equity

|                                                               |                  |                  |
|---------------------------------------------------------------|------------------|------------------|
| Preferred stock, no par value; 50,000,000 shares authorized   |                  |                  |
| 2,803,812 shares of 8.00% Series E Cumulative Convertible     |                  |                  |
| issued and outstanding (2,803,812 shares at December 31,      |                  |                  |
| 2010)                                                         | 46,571           | 46,571           |
| 3,264,362 shares of 6.75% Series G Cumulative Redeemable      |                  |                  |
| issued and outstanding (3,405,562 shares at December 31,      |                  |                  |
| 2010)                                                         | 81,609           | 81,609           |
| Common stock, \$0.01 par value; 250,000,000 shares authorized |                  |                  |
| 219,038,779 shares issued and outstanding                     | 2,190            | 2,190            |
| Additional paid-in capital                                    | 3,322,505        | 3,322,505        |
| Distributions in excess of net income                         | (1,111,356)      | (1,111,356)      |
| Accumulated other comprehensive loss, net                     | (15,427)         | (15,427)         |
| <br>Total UDR, Inc. stockholders' equity                      | <br>2,326,092    | <br>2,326,092    |
| Non-controlling interest                                      | 4,701            | 4,701            |
| <br>Total equity                                              | <br>2,330,793    | <br>2,330,793    |
| <br>Total liabilities and stockholders' equity                | <br>\$ 6,804,903 | <br>\$ 6,804,903 |

See accompanying notes.

**UDR, Inc.**  
**PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(In thousands, except per share data)

|                                                 | UDR<br>(audited)   | Historical<br>Previously<br>Acquired<br>Communities<br>(audited) | 95 Wall   | Pro Forma<br>Adjustments<br>(unaudited) | Pro Forma<br>(unaudited) |
|-------------------------------------------------|--------------------|------------------------------------------------------------------|-----------|-----------------------------------------|--------------------------|
| <b>REVENUES</b>                                 |                    |                                                                  |           |                                         |                          |
| Rental income                                   | \$ 605,295         | \$ 69,198                                                        | \$ 18,981 | (177)(a)                                | 693,297                  |
| Non-property income:                            |                    |                                                                  |           |                                         |                          |
| Other income                                    | 12,494             |                                                                  |           |                                         | 12,494                   |
| Total revenues                                  | 617,789            | 69,198                                                           | 18,981    | (177)                                   | 705,791                  |
| <b>EXPENSES</b>                                 |                    |                                                                  |           |                                         |                          |
| Rental expenses:                                |                    |                                                                  |           |                                         |                          |
| Real estate taxes and insurance                 | 75,041             | 11,109                                                           | 261       |                                         | 86,411                   |
| Personnel                                       | 55,411             | 4,886                                                            | 1,477     |                                         | 61,774                   |
| Utilities                                       | 33,140             | 4,438                                                            | 1,694     |                                         | 39,272                   |
| Repair and maintenance                          | 34,369             | 4,246                                                            | 953       |                                         | 39,568                   |
| Administrative and marketing                    | 15,814             | 2,877                                                            | 1,320     |                                         | 20,011                   |
| Property management                             | 16,646             | 407                                                              |           |                                         | 17,053                   |
| Other operating expenses                        | 5,848              |                                                                  |           | 72(b)                                   | 5,920                    |
| Real estate depreciation and amortization       | 289,957            |                                                                  |           | 78,800(c)                               | 368,757                  |
| Interest                                        |                    |                                                                  |           |                                         |                          |
| Expense incurred                                | 142,984            |                                                                  |           | 19,397(d)                               | 162,381                  |
| Net loss/(gain) on debt extinguishment          | 1,204              |                                                                  |           |                                         | 1,204                    |
| Amortization of convertible debt discount       | 3,530              |                                                                  |           |                                         | 3,530                    |
| General and administrative                      | 42,710             |                                                                  |           |                                         | 42,710                   |
| Severance costs and other restructuring charges | 6,803              |                                                                  |           |                                         | 6,803                    |
| Other depreciation and amortization             | 4,843              |                                                                  |           |                                         | 4,843                    |
| Total expenses                                  | 728,300            | 27,963                                                           | 5,705     | 98,269                                  | 860,237                  |
| Income/(loss) from operations                   | (110,511)          | 41,235                                                           | 13,276    | (98,446)                                | (154,446)                |
| Loss from unconsolidated entities               | (4,204)            |                                                                  |           |                                         | (4,204)                  |
| Income/(loss) from continuing operations        | (114,715)<br>8,127 | 41,235                                                           | 13,276    | (98,446)                                | (158,650)<br>8,127       |

## Income from discontinued operations

|                                                                     |              |           |           |             |              |
|---------------------------------------------------------------------|--------------|-----------|-----------|-------------|--------------|
| Consolidated net (loss)/income                                      | (106,588)    | 41,235    | 13,276    | (98,446)    | (150,523)    |
| Net loss attributable to redeemable non-controlling interests in OP | 3,835        |           |           | 4,718(e)    | 8,553        |
| Net income attributable to non-controlling interests                | (146)        |           |           |             | (146)        |
| Net (loss)/income attributable to UDR, Inc.                         | (102,899)    | 41,235    | 13,276    | (93,728)    | (142,116)    |
| Distributions to preferred stockholders Series E (Convertible)      | (3,726)      |           |           |             | (3,726)      |
| Distributions to preferred stockholders Series G                    | (5,762)      |           |           |             | (5,762)      |
| Discount on preferred stock repurchases, net                        | 25           |           |           |             | 25           |
| Net (loss)/income attributable to common stockholders               | \$ (112,362) | \$ 41,235 | \$ 13,276 | \$ (93,728) | \$ (151,579) |

Earnings/(loss) per weighted average common share basic:  
Loss from continuing operations attributable to common

|                                              |           |  |  |  |           |
|----------------------------------------------|-----------|--|--|--|-----------|
| stockholders                                 | \$ (0.73) |  |  |  | \$ (0.96) |
| Income from discontinued operations          | \$ 0.05   |  |  |  | \$ 0.05   |
| Net loss attributable to common stockholders | \$ (0.68) |  |  |  | \$ (0.91) |

Earnings/(loss) per weighted average common share diluted:  
Loss from continuing operations attributable to common

|                                              |           |  |  |  |           |
|----------------------------------------------|-----------|--|--|--|-----------|
| stockholders                                 | \$ (0.73) |  |  |  | \$ (0.96) |
| Income from discontinued operations          | \$ 0.05   |  |  |  | \$ 0.05   |
| Net loss attributable to common stockholders | \$ (0.68) |  |  |  | \$ (0.91) |

## Weighted average number of common shares outstanding basic

165,857 165,857

## Weighted average number of common shares outstanding diluted

165,857 165,857

See accompanying notes.



**UDR, INC.**  
**PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**  
(In thousands, except per share data)

|                                           | <b>Historical</b>  | <b>Pro Forma</b> |                      |                    |                     |
|-------------------------------------------|--------------------|------------------|----------------------|--------------------|---------------------|
|                                           | <b>UDR</b>         | <b>95 Wall</b>   | <b>Adjustments -</b> | <b>Pro Forma</b>   | <b>Pro Forma</b>    |
|                                           | <b>(f)</b>         | <b>Acquired</b>  | <b>Previously</b>    | <b>Adjustments</b> | <b>Consolidated</b> |
|                                           | <b>(unaudited)</b> | <b>(f)</b>       | <b>Communities</b>   | <b>(unaudited)</b> | <b>(unaudited)</b>  |
|                                           |                    |                  | <b>(g)</b>           |                    |                     |
|                                           |                    |                  | <b>(unaudited)</b>   |                    |                     |
| <b>REVENUES</b>                           |                    |                  |                      |                    |                     |
| Rental income                             | \$ 521,679         | \$ 12,345        | \$ 27,099            | \$ (250)(a)        | \$ 560,873          |
| Non-property income:                      |                    |                  |                      |                    |                     |
| Other income                              | 12,620             |                  |                      |                    | 12,620              |
| Total revenues                            | 534,299            | 12,345           | 27,099               | (250)              | 573,493             |
| <b>EXPENSES</b>                           |                    |                  |                      |                    |                     |
| Rental expenses:                          |                    |                  |                      |                    |                     |
| Real estate taxes and insurance           | 63,040             | 77               | 5,525                |                    | 68,642              |
| Personnel                                 | 44,131             | 935              | 2,459                |                    | 47,525              |
| Utilities                                 | 28,014             | 1,240            | 875                  |                    | 30,129              |
| Repair and maintenance                    | 28,807             | 508              | 591                  |                    | 29,906              |
| Administrative and marketing              | 11,773             | 1,043            | 350                  |                    | 13,166              |
| Property management                       | 14,347             |                  | 745                  |                    | 15,092              |
| Other operating expenses                  | 4,540              |                  | 18                   |                    | 4,558               |
| Real estate depreciation and amortization | 265,184            |                  | 24,020               | 10,421(c)          | 299,625             |
| Interest                                  |                    |                  |                      |                    |                     |
| Expense incurred                          | 112,281            |                  | 2,781                | 1,504(d)           | 116,566             |
| Amortization of convertible debt discount | 1,077              |                  |                      |                    | 1,077               |
| Other debt charges                        | 4,052              |                  |                      |                    | 4,052               |
| General and administrative                | 35,512             |                  |                      |                    | 35,512              |
| Other depreciation and amortization       | 3,012              |                  |                      |                    | 3,012               |
| Total expenses                            | 615,770            | 3,803            | 37,364               | 11,925             | 668,862             |
| Income/(loss) from operations             | (81,471)           | 8,095            | (10,265)             | (12,175)           | (95,369)            |
| Loss from unconsolidated entities         | (4,260)            |                  |                      |                    | (4,260)             |
| Income/(loss) from continuing operations  | (85,731)           | 8,542            | (10,265)             | (12,175)           | (99,629)            |
| Income from discontinued operations       | 58,198             |                  |                      |                    | 58,198              |

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|                                                                                                         |             |          |             |             |             |
|---------------------------------------------------------------------------------------------------------|-------------|----------|-------------|-------------|-------------|
| Consolidated net income/(loss)                                                                          | (27,533)    | 8,542    | (10,265)    | (12,175)    | (41,431)    |
| Net (income)/loss attributable to redeemable non-controlling interests in OP                            | 1,192       |          |             | 701         | 1,893       |
| Net income attributable to non-controlling interests                                                    | (134)       |          |             |             | (134)       |
| Net income/(loss) attributable to UDR, Inc.                                                             | (26,475)    | 8,542    | (10,265)    | (11,474)    | (39,672)    |
| Distributions to preferred stockholders Series E (Convertible)                                          | (2,793)     |          |             |             | (2,793)     |
| Distributions to preferred stockholders Series G (Premium)/discount on preferred stock repurchases, net | (175)       |          |             |             | (175)       |
| Net income/(loss) attributable to common stockholders                                                   | \$ (33,653) | \$ 8,542 | \$ (10,265) | \$ (11,474) | \$ (46,850) |
| Earnings/(loss) per weighted average common share basic and diluted:                                    |             |          |             |             |             |
| Loss from continuing operations attributable to common stockholders                                     | \$ (0.47)   |          |             |             | \$ (0.54)   |
| Income from discontinued operations                                                                     | \$ 0.30     |          |             |             | \$ 0.30     |
| Net loss attributable to common stockholders                                                            | \$ (0.17)   |          |             |             | \$ (0.24)   |
| Weighted average number of common shares outstanding-basic and diluted                                  | 195,723     |          |             |             | 195,723     |

See accompanying notes.

**UDR, INC.**  
**NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Unaudited Pro Forma Consolidated Balance Sheet Adjustments**

- (a) 95 Wall was acquired in August 2011; therefore, the effect of the acquisition is included in our historical consolidated balance sheet as of September 30, 2011. We financed this acquisition with the issuance of operating partnership units ( OP units ) and borrowings under our revolving credit facility. The Operating Partnership issued 1,802,239 OP units which were deemed to have an agreed upon value equal to the greater of \$25.00 or the volume weighted average closing price per share of the Company s common stock for the 10 day period ended on, and including, the date one business day prior to the settlement date. The fair value of these OP units was \$26.71 at the settlement date. The purchase price allocations included in the September 30, 2011 balance sheet are as follows (amounts in thousands):

| Property | Purchase Price<br>(1) | Land      | Building   | Leases in Place<br>for    |                                     |
|----------|-----------------------|-----------|------------|---------------------------|-------------------------------------|
|          |                       |           |            | Residential<br>and Retail | Above<br>Market<br>Retail<br>Leases |
| 95 Wall  | \$ 328,914            | \$ 57,565 | \$ 263,668 | \$ 3,245                  | \$ 4,436                            |

- (1) The purchase price is the contractual sales price between UDR and the third-party and does not include any costs that the Company incurred in the pursuit of the property or the recorded difference between the agreed-upon value and the fair value of the OP units issued as part of the consideration paid.

**Unaudited Pro Forma Consolidated Statement of Operations Adjustments**

- (a) Reflects amortization of the net above-market lease intangibles recorded as part of the acquisitions.
- (b) Reflects ground lease expense for 10 Hanover Square.
- (c) Reflects the estimated depreciation and amortization that would have been recorded by UDR based on the depreciable basis of the acquired communities, assuming asset lives ranging from five to thirty-five years as well as the amortization of the identifiable intangible values recorded with an estimated useful life of approximately one year.
- (d) Reflects estimated interest expense that would have been recorded for the increase in our revolving credit facility, deferred financing costs and assumed debt, including the impact of amortizing the fair market adjustment on fixed rate debt over the term of the related debt instrument.
- (e) Reflects the difference between historical non-controlling interest and what would have been recorded by the Company as a result of the pro forma adjustments to reported earnings for the acquired communities.
- (f) Reflects the actual results of 95 Wall for the eight months ended August 31, 2011, the date of acquisition. UDR s historical Statement of Operations for the nine months ended September 30, 2011 contains the property results for the month of September 2011.
- (g) Reflects an adjustment for the Previously Acquired Communities for January 1, 2011 through the date of acquisition.



**Exhibit Index**

23.1 Consent of Ernst & Young LLP Independent Auditors

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