

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

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): December 4, 2015

UDR, Inc.
United Dominion Realty, L.P.
(Exact name of registrant as specified in its charter)

Maryland
Delaware (United Dominion Realty, L.P.)
(State or other jurisdiction
of incorporation)

1-10524
333-156002-01
(Commission
File Number)

54-0857512
54-1776887
(I.R.S. Employer
Identification No.)

1745 Shea Center Drive, Suite 200, Highlands Ranch,
Colorado
(Address of principal executive offices)

80129
(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))
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Item 1.01. Entry into a Material Definitive Agreement.

On December 4, 2015, in connection with the adoption of changes to the 1999 Long Term Incentive Plan (the “Plan”) of UDR Inc. (the “Company”) described in this report, the Company, the general partner of United Dominion Realty, L.P., a Delaware limited partnership (the “UDR Partnership”), entered into the Ninth Amendment (the “Ninth Amendment”) to the Amended and Restated Agreement of Limited Partnership of the UDR Partnership (the “UDR Partnership Agreement”). The description of the Ninth Amendment is set forth in this report under “Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements with Certain Officers.” and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements with Certain Officers.

On December 4, 2015, the Compensation and Management Development Committee (the “Committee”) of the Board of Directors of the Company approved the amendment and restatement of the Plan to provide for awards of LTIP Units of the UDR Partnership. In conjunction with this change to the Plan, the Ninth Amendment to UDR Partnership Agreement was entered into to provide for the issuance of those LTIP Units, including Class 1 LTIP Units and Class 2 LTIP Units, that may be awarded under the Plan.

Under the Plan (as amended and restated December 4, 2015), the Committee is authorized to grant LTIP Units to Plan participants (each a “Participant”) in such amounts and subject to such terms and conditions as may be selected by the Committee; provided, however, that LTIP Units may only be issued to a Participant for the performance of services to or for the benefit of the UDR Partnership (a) in the Participant’s capacity as a partner of the UDR Partnership, (b) in anticipation of the Participant becoming a partner of the Partnership, or (c) as otherwise determined by the Committee, provided that the LTIP Units are intended to constitute “profits interests” within the meaning of the Internal Revenue Code. The Committee will specify the conditions and dates upon which the LTIP Units shall vest and become nonforfeitable. In addition to any terms and conditions that are specified by the Committee, the LTIP Units shall be subject to the terms and conditions of the UDR Partnership Agreement and such other restrictions, including restrictions on transferability (including by redemption or conversion), as the Committee may impose. Any such restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the award or thereafter.

The Ninth Amendment amends the UDR Partnership Agreement to establish and set forth the terms of the new classes of Partnership Interests designated as LTIP Units, including Class 1 LTIP Units and Class 2 LTIP Units, as well as to make conforming changes. The terms of the LTIP Units are specified in new Exhibit H to the UDR Partnership Agreement, which addresses, among other things, issuance, vesting and forfeiture, adjustments, distributions, allocations, transfers, legends, conversions to UDR Partnership Common Units, redemption of UDR Partnership Common Units issued upon conversion of LTIP Units, voting and certain tax matters with respect to the LTIP Units.

The description of the Ninth Amendment set forth herein is qualified in its entirety by reference to the full text of the Ninth Amendment, which is filed as Exhibit 10.1 to this report and is incorporated herein by reference.

The description of the Plan (as amended and restated December 4, 2015) set forth herein is qualified in its entirety by reference to the full text of the Plan (as amended and restated December 4, 2015), which is filed as Exhibit 10.2 to this report and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

The information included as Exhibit 99.1 to this report will be made available to investors beginning December 10, 2015. This information is being furnished pursuant to Item 7.01, and the information contained therein shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section. Furthermore, the information contained in Exhibit 99.1 shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Ninth Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of December 4, 2015.
10.2	UDR, Inc. 1999 Long-Term Incentive Plan (as amended and restated December 4, 2015).
99.1	Presentation Materials.

SIGNATURES

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

UDR, Inc.

December 10, 2015

By: /s/ Warren L. Troupe
Name: Warren L. Troupe
Title: Senior Executive Vice President

United Dominion Realty, L.P.

By: UDR, Inc., its general partner

December 10, 2015

By: /s/ Warren L. Troupe
Name: Warren L. Troupe
Title: Senior Executive Vice President

Exhibit Index

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99.1	Presentation Materials.

**NINTH AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF
UNITED DOMINION REALTY, L.P.**

This Ninth Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of December 4, 2015 (this “Amendment”), is being executed by UDR, Inc., a Maryland corporation (the “General Partner”), as the general partner of United Dominion Realty, L.P., a Delaware limited partnership (the “Partnership”), pursuant to the authority conferred upon the General Partner by Section 11.01 of the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of February 23, 2004, as amended by the First Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of June 24, 2005, the Second Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of February 23, 2006, the Third Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of January 2, 2007, the Fourth Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of December 27, 2007, the Fifth Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of March 7, 2008, the Sixth Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of December 9, 2008, the Seventh Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of March 13, 2009 and the Eighth Amendment to the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., dated as of November 17, 2010 (as amended, the “Agreement”). Capitalized terms used, but not otherwise defined herein, shall have the respective meanings ascribed thereto in the Agreement.

WHEREAS, the General Partner desires to establish and set forth the terms of new classes of Partnership Interests designated as LTIP Units, Class 1 LTIP Units and Class 2 LTIP Units, respectively, and the General Partner desires to amend the Agreement to accomplish the same.

NOW, THEREFORE, the General Partner hereby amends the Agreement as follows:

1. Amendment.

(a) The second sentence of Section 4.04 of the Agreement is hereby deleted and replaced in its entirety with the following:

If (i) a new or existing Partner acquires an additional Partnership Interest in exchange for more than a de minimis Capital Contribution; (ii) the Partnership distributes to a Partner more than a de minimis amount of Partnership property as consideration for a Partnership Interest; (iii) the Partnership is liquidated within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g); or (iv) an interest in the Partnership (other than a de minimis interest) is granted as consideration for the provision of services to or for the benefit of the Partnership by an existing Partner acting in a partner capacity, or by a new Partner acting in a partner capacity or in

anticipation of becoming a Partner of the Partnership (including the grant of an LTIP Unit (as defined in Exhibit H attached hereto)), the General Partner shall revalue the property of the Partnership to its fair market value (as determined by the General Partner, in its sole and absolute discretion, and taking into account Section 7701(g) of the Code) in accordance with Regulations Section 1.704-1(b)(2)(iv)(f).

(b) The Agreement is hereby amended by the addition of a new exhibit, titled "Exhibit H," in the form attached hereto, which shall be attached to and made a part of the Agreement.

2. Miscellaneous. Except as specifically amended hereby, the terms, covenants, provisions and conditions of the Agreement shall remain unmodified and continue in full force and effect and, except as amended hereby, all of the terms, covenants, provisions and conditions of the Agreement are hereby ratified and confirmed in all respects.

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment has been executed as of the date first written above.

GENERAL PARTNER:

UDR, INC.

By: /s/ Warren L. Troupe
Name: Warren L. Troupe
Title: Senior Executive Vice President

EXHIBIT H

PARTNERSHIP UNIT DESIGNATIONS OF THE LTIP UNITS, CLASS 1 LTIP UNITS AND CLASS 2 LTIP UNITS OF UNITED DOMINION REALTY, L.P.

1. Defined Terms.

The following defined terms used in this Exhibit H shall have the meaning specified below. Capitalized terms used, but not otherwise defined herein, shall have the respective meanings ascribed thereto in the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P., as amended (the “Agreement”).

“ *Adjustment Event* ” has the meaning set forth in Section 6 hereof.

“ *Capital Account Limitation* ” has the meaning set forth in Section 11(b) hereof.

“ *Class 1 LTIP Units* ” has the meaning set forth in Section 2 hereof.

“ *Class 2 LTIP Unit Initial Sharing Percentage* ” means, with respect to a Class 2 LTIP Unit, ten percent (10%) or such other percentage as set forth in the Vesting Agreement or other documentation pursuant to which such Class 2 LTIP Unit is granted.

“ *Class 2 LTIP Unit Distribution Participation Date* ” means, with respect to a Class 2 LTIP Unit, such date as is specified in the Vesting Agreement or other documentation pursuant to which such Class 2 LTIP Unit is granted.

“ *Class 2 LTIP Units* ” has the meaning set forth in Section 2 hereof.

“ *Constituent Person* ” has the meaning set forth in Section 11(f) hereof.

“ *Conversion Date* ” has the meaning set forth in Section 11(b) hereof.

“ *Conversion Notice* ” has the meaning set forth in Section 11(b) hereof.

“ *Conversion Right* ” has the meaning set forth in Section 11(a) hereof.

“ *Economic Capital Account Balance* ” means, with respect to a holder of LTIP Units, its Capital Account balance, plus the amount of its share of any Partner Nonrecourse Debt Minimum Gain or Partnership Minimum Gain, in either case to the extent attributable to its ownership of LTIP Units.

“ *Effective Date* ” means December 4, 2015.

“ *Eligible Unit* ” means, as of the time any Liquidating Gain is available to be allocated to an LTIP Unit, an LTIP Unit to the extent, since the date of issuance of such LTIP Unit, such

Liquidating Gain when aggregated with other Liquidating Gains realized since the date of issuance of such LTIP Unit exceeds Liquidating Losses realized since the date of issuance of such LTIP Unit.

“*Equity Plan*” means any stock or other equity-based compensation plan now or hereafter adopted by the Partnership or the General Partner, including the Plan.

“*Forced Conversion*” has the meaning set forth in Section 11(c) hereof.

“*Forced Conversion Notice*” has the meaning set forth in Section 11(c) hereof.

“*Gross Asset Value*” has the meaning set forth in Section 5(b) hereof.

“*Liquidating Gains*” means any net gain realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership (including upon liquidation of the Partnership), including but not limited to net gain realized in connection with a revaluation of the Partnership’s property pursuant to Section 4.04 of the Agreement.

“*Liquidating Losses*” means any net loss realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership (including upon liquidation of the Partnership), including but not limited to net loss realized in connection with a revaluation of the Partnership’s property pursuant to Section 4.04 of the Agreement.

“*LTIP Agreement*” has the meaning set forth in Section 5(b) hereof.

“*LTIP Unit Distribution Payment Date*” has the meaning set forth in Section 7(c) hereof.

“*LTIP Unit Redemption Threshold*” means a threshold that will be met with respect to one or more LTIP Units if, when and to the extent, such LTIP Units have satisfied the Capital Account Limitation.

“*LTIP Units*” means the Partnership Units designated as such having the rights, powers, privileges, restrictions, qualifications and limitations set forth herein, in the Plan and in an applicable Vesting Agreement. LTIP Units may be issued in one or more classes, or one or more series of any such classes bearing such relationship to one another as to allocations, distributions, and other rights as the General Partner shall determine in its sole and absolute discretion subject to Maryland law and the Agreement.

“*Partnership Common Unit*” means a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to the Agreement, but does not include any Partnership Unit owned by the General Partner, Class A Partnership Unit, Class I Out-Performance Partnership Share, Class II Out-Performance Partnership Share, Class III Out-Performance Partnership Share, Class IV Out-Performance Partnership Share, Class V Out-Performance Partnership Share, LTIP Unit or any other Partnership Unit, the terms of which provide that such other Partnership Unit is not a Partnership Common Unit.

“*Plan*” means the UDR, Inc. 1999 Long-Term Incentive Plan, as amended from time to time.

“ *Proposed Section 83 Safe Harbor Regulation* ” has the meaning set forth in Section 14 hereof.

“ *Qualifying Party* ” means a Limited Partner other than the Original Limited Partner.

“ *REIT Share Economic Target* ” means, as of any date, the REIT Share Value on such date multiplied by the Conversion Factor.

“ *REIT Share Value* ” means, as of the date of valuation, the fair market value of a REIT Share, determined as follows: (i) if the REIT Share is listed or admitted to trading on any securities exchange or The Nasdaq National Market, the closing price, regular way, of a REIT Share on such day or, if no sale takes place on such day, the average of the closing bid and asked prices of a REIT Share on such day, (ii) if the REIT Share is not listed or admitted to trading on any securities exchange or The Nasdaq National Market but is regularly quoted by a recognized quotation source, the last reported sale price of a REIT Share on such day or, if no sale takes place on such day, the average of the closing bid and asked prices of a REIT Share on such day, as reported by a recognized quotation source designated by the Company, or (iii) if the REIT Share is not listed or admitted to trading on any securities exchange or The Nasdaq National Market but is regularly quoted by a recognized quotation source and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices of a REIT Share on such day, as reported by a recognized quotation source designated by the General Partner, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, of a REIT Share on the most recent day (not more than twenty (20) days prior to the date in question) for which prices have been so reported; provided, that if there are no bid and asked prices reported during the twenty (20) days prior to the date in question, the value of a REIT Share shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate. In the event that a REIT Share includes any additional rights the value of which is not included within such price, then the value of such rights shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate, and included in determining the “REIT Share Value” of such REIT Share.

“ *Section 83 Safe Harbor* ” has the meaning set forth in Section 14 hereof.

“ *Transaction* ” has the meaning set forth in Section 11(f) hereof.

“ *Unvested LTIP Units* ” has the meaning set forth in Section 5(a) hereof.

“ *Vested LTIP Units* ” has the meaning set forth in Section 5(a) hereof.

“ *Vesting Agreement* ” has the meaning set forth in Section 5(a) hereof.

2. Designation. A class of Partnership Units in the Partnership designated as the “LTIP Units” is hereby established. The number of LTIP Units that may be issued is not limited by the Agreement. Two classes of LTIP Units in the Partnership are hereby designated as the Class 1 LTIP Units (the “Class 1 LTIP Units”) and the Class 2 LTIP Units (the “Class 2 LTIP

Units”). The numbers of Class 1 LTIP Units and Class 2 LTIP Units shall be determined from time to time by the General Partner in accordance with the terms of the Plan.

3. Issuances of LTIP Units. From time to time, the General Partner is hereby authorized to issue LTIP Units, including Class 1 LTIP Units and Class 2 LTIP Units, to Persons providing services to or for the benefit of the Partnership for such consideration or for no consideration as the General Partner may determine to be appropriate and on such terms and conditions as shall be established by the General Partner, and admit such Persons as Limited Partners. Except to the extent that a capital contribution is made with respect to an LTIP Unit, each LTIP Unit is intended to qualify as a profits interests in the Partnership within the meaning of the Code, the Regulations, and any published guidance by the Internal Revenue Service with respect thereto. Except as may be provided from time to time by the General Partner with respect to one or more series of LTIP Units, LTIP Units shall have the terms set forth in this Exhibit H.

4. Admission to Partnership. A Person (other than an existing Partner) who is issued LTIP Units in exchange for no consideration in accordance with Section 3 hereof shall be admitted to the Partnership as an additional Limited Partner only upon the satisfactory completion of the requirements an assignee is required to complete pursuant to Section 9.03(a)(i) through (v) of the Agreement.

5. Vesting.

(a) Vesting, Generally. LTIP Units may, in the sole discretion of the General Partner, be issued subject to vesting, forfeiture and additional restrictions on Transfer pursuant to the terms of an award, vesting or other similar agreement (a “Vesting Agreement”). The terms of any Vesting Agreement may be modified by the General Partner from time to time in its sole discretion, subject to any restrictions on amendment imposed by the relevant Vesting Agreement or by the Plan or any other Equity Plan, if applicable. LTIP Units that were fully vested when issued or that have vested and are no longer subject to forfeiture under the terms of a Vesting Agreement are referred to as “Vested LTIP Units”; all other LTIP Units shall be treated as “Unvested LTIP Units.”

(b) Forfeiture. Unless otherwise specified in the Vesting Agreement, the Plan or in any applicable Equity Plan or other compensatory arrangement or incentive program pursuant to which LTIP Units are issued (collectively, the “LTIP Agreement”), upon the occurrence of any event specified in such LTIP Agreement as resulting in either the right of the Partnership or the General Partner to repurchase LTIP Units at a specified purchase price or some other forfeiture of any LTIP Units, then if the Partnership or the General Partner exercises such right to repurchase or upon the occurrence of the event causing forfeiture in accordance with the applicable LTIP Agreement, then the relevant LTIP Units shall immediately, and without any further action, be treated as cancelled and no longer outstanding for any purpose. Unless otherwise specified in the applicable LTIP Agreement, no consideration or other payment shall be due with respect to any LTIP Units that have been forfeited, other than any distributions declared with respect to a Partnership Record Date and with respect to such units prior to the effective date of the forfeiture. Except as otherwise provided in the Agreement (including without limitation Section 8(c) hereof) or any agreement relating to the grant of LTIP Units,

including any LTIP Agreement, in connection with any repurchase or forfeiture of such units, the balance of the portion of the Capital Account of the holder of LTIP Units that is attributable to all of his or her LTIP Units shall be reduced by the amount, if any, by which it exceeds the target balance contemplated by Section 8(b) hereof, calculated with respect to such holder's remaining LTIP Units, if any. If any Unvested LTIP Units are forfeited, as described in this Section 5(b), upon such forfeiture, the value of the Partnership's assets as determined for purposes of book allocations under Section 704(b) of the Code and the Regulations thereunder (the "Gross Asset Value") shall be reduced by the amount of any reduction of such Partner's Capital Account attributable to the forfeiture of such LTIP Units. Any adjustment to the Gross Asset Value of any Partnership asset shall be binding on the Partnership and every Limited Partner.

6. Adjustments. The Partnership shall maintain at all times a one-to-one correspondence between LTIP Units and Partnership Common Units for conversion, distributions, allocations and other purposes, including without limitation complying with the following procedures; provided, that the foregoing is not intended to alter the special allocations pursuant to Section 8 hereof, differences between distributions to be made with respect to the Class 2 LTIP Units and the Partnership Common Units prior to the Class 2 LTIP Unit Distribution Participation Date for such Class 2 LTIP Units, or differences between distributions to be made with respect to LTIP Units and Partnership Common Units pursuant to Section 5.06 and Section 7(b) hereof in the event that the Capital Accounts attributable to the LTIP Units are less than those attributable to Partnership Common Units due to insufficient special allocation pursuant to Section 8(b) hereof or related provisions. If an Adjustment Event (as defined below) occurs, then the General Partner shall take any action reasonably necessary, including any amendment to the Agreement or update Exhibit A to the Agreement adjusting the number of outstanding LTIP Units or subdividing or combining outstanding LTIP Units, to maintain a one-for-one conversion and economic equivalence ratio between Partnership Common Units and LTIP Units. The following shall be "Adjustment Events": (i) the Partnership makes a distribution on all outstanding Partnership Common Units in Partnership Units, (ii) the Partnership subdivides the outstanding Partnership Common Units into a greater number of units or combines the outstanding Partnership Common Units into a smaller number of units, or (iii) the Partnership issues any Partnership Units in exchange for its outstanding Partnership Common Units by way of a reclassification or recapitalization of its Partnership Common Units. If more than one Adjustment Event occurs, any adjustment to the LTIP Units need be made only once using a single formula that takes into account each and every Adjustment Event as if all Adjustment Events occurred simultaneously. For the avoidance of doubt, the following shall not be Adjustment Events: (x) the issuance of Partnership Units in a financing, reorganization, acquisition or other similar business transaction, (y) the issuance of Partnership Units pursuant to any employee benefit or compensation plan or distribution reinvestment plan, or (z) the issuance of any Partnership Units to the General Partner in respect of a capital contribution to the Partnership. If the Partnership takes an action affecting the Partnership Common Units other than actions specifically described above as "Adjustment Events" and in the opinion of the General Partner such action would require an action to maintain the one-to-one correspondence described above, the General Partner shall have the right to take such action, to the extent permitted by law, the Plan and by any applicable Equity Plan or Stock Option Plan or other compensatory arrangement or incentive program pursuant to which LTIP Units are issued, in such manner and at such time as the General Partner, in its sole discretion, may determine to be reasonably appropriate under the circumstances. If an amendment is made to the Agreement adjusting the number of outstanding LTIP Units as herein provided, the Partnership

shall promptly file in the books and records of the Partnership an officer's certificate setting forth a brief statement of the facts requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment absent manifest error. Promptly after filing of such certificate, the Partnership shall mail a notice to each holder of LTIP Units setting forth the adjustment to his or her LTIP Units and the effective date of such adjustment. Any adjustment to the number of outstanding LTIP Units pursuant to this Section 6 shall be binding on the Partnership and every Limited Partner.

7. Distributions.

(a) Operating Distributions. Except as otherwise provided in the Agreement, the Plan, or any other applicable Equity Plan, any applicable Vesting Agreement or by the General Partner with respect to any particular class or series of LTIP Units, holders of LTIP Units shall be entitled to receive, if, when and as authorized by the General Partner out of funds or other property legally available for the payment of distributions, regular, special, extraordinary or other distributions (other than distributions upon or pursuant to the liquidation of the Partnership) which may be made from time to time, in an amount per unit equal to the amount of any such distributions that would have been payable to such holders if the LTIP Units had been Partnership Common Units (if applicable, assuming such LTIP Units were held for the entire period to which such distributions relate); provided that prior to the Class 2 LTIP Unit Distribution Participation Date with respect to each Class 2 LTIP Unit, such Class 2 LTIP Unit will only be entitled to receive such distributions in an amount equal to the product of the Class 2 LTIP Unit Initial Sharing Percentage for such Class 2 LTIP Unit and the amount otherwise distributable with respect to such Class 2 LTIP Unit pursuant to this Section 7(a).

(b) Liquidating Distributions. Holders of LTIP Units shall also be entitled to receive, if, when and as authorized by the General Partner out of funds or other property legally available for the payment of distributions, distributions upon liquidation of the Partnership in an amount equal to the positive balances of the Capital Accounts of the holders of such LTIP Units to the extent attributable to the ownership of such LTIP Units as set forth in Section 5.06(a) of the Agreement.

(c) Distributions Generally. Distributions on the LTIP Units, if authorized, shall be payable on such dates and in such manner as may be authorized by the General Partner (any such date, an "LTIP Unit Distribution Payment Date"). Absent a contrary determination by the General Partner, the LTIP Unit Distribution Payment Date shall be the same as the corresponding date relating to the corresponding distribution on the Partnership Common Units, the record date for determining which holders of LTIP Units are entitled to receive distributions shall be the Partnership Record Date. A holder of LTIP Units will only be entitled to distributions with respect to an LTIP Unit as set forth in this Exhibit H and, in making distributions pursuant to Section 5.02 of the Agreement, the General Partner of the Partnership shall take into account the provisions of this Section 7.

8. Allocations.

(a) General. Holders of LTIP Units shall be allocated Profit, Loss and depreciation and amortization expenses of the Partnership in amounts per LTIP Unit equal to the amounts

allocated per Partnership Common Unit; provided, however, that prior to the Class 2 LTIP Unit Participation Date with respect to a Class 2 LTIP Unit, the amounts shall only be allocated with respect to such Class 2 LTIP Unit in an amount equal to the product of the Class 2 LTIP Unit Initial Sharing Percentage for such Class 2 LTIP Unit and the amount otherwise allocable with respect to such Class 2 LTIP Unit pursuant to this Section 8(a). The allocations provided by the preceding sentence shall be subject to Section 5.01(a) of the Agreement and in addition to any special allocations required by Section 8(b) hereof. The General Partner is authorized in its discretion to delay or accelerate the participation of the LTIP Units in allocations of Profit, Loss and depreciation and amortization expenses of the Partnership under this Section 8(a), or to adjust the allocations made under this Section 8(a), so that the ratio of (i) the total amount of Profit, Loss and depreciation and amortization expenses of the Partnership allocated with respect to each LTIP Unit in the taxable year in which that LTIP Unit's LTIP Unit Distribution Payment Date falls (excluding special allocations under Section 8(b) hereof), to (ii) the total amount distributed to that LTIP Unit with respect to such period, is more nearly equal to the ratio of (i) the Profit, Loss and depreciation and amortization expenses of the Partnership allocated with respect to the Partnership Common Units in such taxable year to (ii) the amounts distributed with respect to such Partnership Common Units and such taxable year.

(b) Special Allocations with Respect to LTIP Units. In the event that Liquidating Gains are allocated under this Section 8(b), Profit, Loss and depreciation and amortization expenses of the Partnership allocable under Section 5.01(a) of the Agreement to Partners other than Class A Partners shall be recomputed without regard to the Liquidating Gains so allocated. This Section 8(b) shall not affect any allocations to Class A Partners. After giving effect to the special allocations set forth in Sections 5.01(b), 5.01(c) and 5.01(d) of the Agreement and Sections 8(c) and 8(d) hereof, and notwithstanding the provisions of Section 5.01(a) of the Agreement (except insofar as they allocate Profit, Loss and depreciation and amortization expenses of the Partnership to Class A Partners), any Liquidating Gains shall first be allocated to the holders of Eligible Units until the Economic Capital Account Balances of such holders, to the extent attributable to their ownership of Eligible Units, are equal to (i) the REIT Share Economic Target, multiplied by (ii) the number of their Eligible Units. Any such allocations shall be made among the holders of Eligible Units in proportion to the amounts required to be allocated to each under this Section 8(b). The parties agree that the intent of this Section 8(b) is to make the Capital Account balances of the holders of LTIP Units with respect to their LTIP Units economically equivalent (on a per-unit basis) to the REIT Share Value on the date as of which such special allocation to this Section 8(b) is being made multiplied by the Conversion Factor, but only to the extent the Partnership has recognized cumulative net gains with respect to its assets since the issuance of the relevant LTIP Unit. The allocations set forth in this Section 8(b) shall be taken into account for determining the Capital Account of each Partner, including for purposes of Section 5.06(a) of the Agreement.

(c) Forfeiture Allocations. Upon a forfeiture of any Unvested LTIP Units by any Partner, gross items of income, gain, loss or deduction shall be allocated to such Partner if and to the extent required by final Regulations promulgated after the Effective Date to ensure that allocations made with respect to all unvested Partnership Interests are recognized under Code Section 704(b), but in no event shall such allocations affect the allocations to the Class A Partners.

(d) LTIP Units. For purposes of the allocations set forth in Sections 5.01(b), 5.01(c) and 5.01(d) of the Agreement and Section 8(c) hereof, each issued and outstanding LTIP Unit will be treated as one outstanding Partnership Common Unit; provided, however, that solely for purposes of Section 5.01(b) of the Agreement, prior to the Class 2 LTIP Unit Participation Date with respect to a Class 2 LTIP Unit, the Percentage Interest for such a Class 2 LTIP Unit shall be the Percentage Interest of a Class 1 LTIP Unit multiplied by the Class 2 LTIP Unit Initial Sharing Percentage.

9. Transfers.

(a) Subject to the terms of any Vesting Agreement, a holder of LTIP Units shall be entitled to transfer his or her LTIP Units to the same extent, and subject to the same restrictions as holders of Partnership Common Units are entitled to transfer their Partnership Common Units pursuant to Article 9 of the Agreement.

(b) A conversion of LTIP Units into Partnership Common Units is not a “Transfer” for purposes of the Agreement.

10. Legend. Any certificate evidencing an LTIP Unit shall bear an appropriate legend indicating that additional terms, conditions and restrictions on transfer, including without limitation any Vesting Agreement, apply to the LTIP Unit.

11. Conversion to Partnership Common Units.

(a) A Qualifying Party holding LTIP Units shall have the right (the “Conversion Right”), at his or her option, at any time to convert all or a portion of his or her Vested LTIP Units into Partnership Common Units, taking into account all adjustments (if any) made pursuant to Section 6 hereof; provided, however, that a Qualifying Party may not exercise the Conversion Right for less than one thousand (1,000) Vested LTIP Units or, if such Qualifying Party holds less than one thousand (1,000) Vested LTIP Units, all of the Vested LTIP Units held by such Qualifying Party that are not subject to the limitation on conversion under Section 11(b) hereof. Qualifying Parties shall not have the right to convert Unvested LTIP Units into Partnership Common Units until they become Vested LTIP Units; provided, however, that when a Qualifying Party is notified of the expected occurrence of an event that will cause his or her Unvested LTIP Units to become Vested LTIP Units, such Qualifying Party may give the Partnership a Conversion Notice conditioned upon and effective as of the time of vesting and such Conversion Notice, unless subsequently revoked by the Qualifying Party, shall be accepted by the Partnership subject to such condition. In all cases, the conversion of any LTIP Units into Partnership Common Units shall be subject to the conditions and procedures set forth in this Section 11.

(b) A Qualifying Party may convert his or her Vested LTIP Units into an equal number of fully paid and non-assessable Partnership Common Units, giving effect to all adjustments (if any) made pursuant to Section 6 hereof. Notwithstanding the foregoing, in no event may a Qualifying Party convert a number of Vested LTIP Units that exceeds (x) the Economic Capital Account Balance of such Limited Partner, to the extent attributable to his or her ownership of LTIP Units, divided by (y) the REIT Share Economic Target, in each case as

determined as of a date on which satisfaction of the LTIP Unit Redemption Threshold is being determined (in either case, the “Capital Account Limitation”). After one or more LTIP Units have satisfied the LTIP Unit Redemption Threshold, such units shall forever have satisfied such threshold, and the Capital Account Limitation shall thereafter apply only to any LTIP Units which have not previously satisfied such threshold. In order to exercise his or her Conversion Right, a Qualifying Party shall deliver a notice (a “Conversion Notice”) in the form attached hereto as Annex I to the Partnership (with a copy to the General Partner) not less than three (3) nor more than ten (10) days prior to a date (the “Conversion Date”) specified in such Conversion Notice; provided, however, that if the General Partner has not given to the Qualifying Party notice of a proposed or upcoming Transaction (as defined below) at least thirty (30) days prior to the effective date of such Transaction, then the Qualifying Party shall have the right to deliver a Conversion Notice until the earlier of (x) the tenth (10th) day after such notice from the General Partner of a Transaction or (y) the third Business Day immediately preceding the effective date of such Transaction. A Conversion Notice shall be provided in the manner provided in Section 12.01 of the Agreement. Each Qualifying Party seeking to convert Vested LTIP Units covenants and agrees with the Partnership that all Vested LTIP Units to be converted pursuant to this Section 11 shall be free and clear of all liens. Notwithstanding anything herein to the contrary, if the Vested LTIP Units or the Partnership Common Units into which the Vested LTIP Units are convertible have been held for at least one year, a Qualifying Party may deliver a Notice of Redemption pursuant to Section 8.05(a) of the Agreement relating to such Partnership Common Units in advance of the Conversion Date; provided, however, that the redemption of such Partnership Common Units by the Partnership shall in no event take place until on or after the Conversion Date. For clarity, it is noted that the objective of this paragraph is to put a Qualifying Party in a position where, if he or she so wishes, the Partnership Common Units into which his or her Vested LTIP Units will be converted can be redeemed by the Partnership pursuant to Section 8.05(a) of the Agreement simultaneously with such conversion, with the further consequence that, if the General Partner elects to assume the Partnership’s redemption obligation with respect to such Partnership Common Units under Section 8.05(b) of the Agreement by delivering to such Qualifying Party REIT Shares rather than cash, then such Qualifying Party can have such REIT Shares issued to him or her simultaneously with the conversion of his or her Vested LTIP Units into Partnership Common Units. The General Partner shall cooperate with a Qualifying Party to coordinate the timing of the different events described in the foregoing sentence.

(c) The Partnership, at any time at the election of the General Partner, may cause any number of Vested LTIP Units to be converted (a “Forced Conversion”) into an equal number of Partnership Common Units, giving effect to all adjustments (if any) made pursuant to Section 6 hereof; provided, however, that the Partnership may not cause a Forced Conversion of any LTIP Units that would not at the time be eligible for conversion at the option of such Qualifying Party pursuant to Section 11(b) hereof. In order to exercise its right of Forced Conversion, the Partnership shall deliver a notice (a “Forced Conversion Notice”) in the form attached hereto as Annex II to the Partnership to the applicable holder of LTIP Units not less than ten (10) nor more than sixty (60) days prior to the Conversion Date specified in such Forced Conversion Notice. A Forced Conversion Notice shall be provided in the manner provided in Section 12.01 of the Agreement.

(d) A conversion of Vested LTIP Units for which the holder thereof has given a Conversion Notice or the Partnership has given a Forced Conversion Notice shall occur automatically after the close of business on the applicable Conversion Date without any action on the part of such holder of LTIP Units, other than the surrender of any certificate or certificates evidencing such Vested LTIP Units, as of which time such holder of LTIP Units shall be credited on the books and records of the Partnership as of the opening of business on the next day with the number of Partnership Common Units into which such LTIP Units were converted. After the conversion of LTIP Units as aforesaid, the Partnership shall deliver to such holder of LTIP Units, upon his or her written request, a certificate of the General Partner certifying the number of Partnership Common Units and remaining LTIP Units, if any, held by such person immediately after such conversion. The assignee of any Limited Partner pursuant to Article 9 of the Agreement may exercise the rights of such Limited Partner pursuant to this Section 11 and such Limited Partner shall be bound by the exercise of such rights by the assignee.

(e) For purposes of making future allocations under Section 8(b) hereof and applying the Capital Account Limitation, the portion of the Economic Capital Account Balance of the applicable holder of LTIP Units that is treated as attributable to his or her LTIP Units shall be reduced, as of the date of conversion, by the product of the number of LTIP Units converted and the REIT Share Economic Target determined for each such LTIP Unit as of the date on which satisfaction of the LTIP Unit Redemption Threshold for such LTIP Unit was determined.

(f) If the Partnership or the General Partner shall be a party to any transaction (including without limitation a merger, consolidation, unit exchange, self-tender offer for all or substantially all Partnership Common Units or other business combination or reorganization, or sale of all or substantially all of the Partnership's assets, but excluding any transaction which constitutes an Adjustment Event) in each case as a result of which Partnership Common Units shall be exchanged for or converted into the right, or the holders shall otherwise be entitled, to receive cash, securities or other property or any combination thereof (each of the foregoing being referred to herein as a "Transaction"), then the General Partner shall, immediately prior to the Transaction, exercise its right to cause a Forced Conversion with respect to the maximum number of LTIP Units then eligible for conversion, taking into account any allocations that occur in connection with the Transaction or that would occur in connection with the Transaction if the assets of the Partnership were sold at the Transaction price or the portion thereof attributable to the Partnership as determined by the General Partner in good faith, or if applicable, at a value for the Partnership assets determined by the General Partner in good faith using the value attributed to the Partnership Common Units in the context of the Transaction (in which case the Conversion Date shall be the effective date of the Transaction and the conversion shall occur immediately prior to the effectiveness of the Transaction). In anticipation of such Forced Conversion and the consummation of the Transaction, the Partnership shall use commercially reasonable efforts to cause each holder of LTIP Units to be afforded the right to receive in connection with such Transaction in consideration for the Partnership Common Units into which his or her LTIP Units will be converted the same kind and amount of cash, securities and other property (or any combination thereof) receivable upon the consummation of such Transaction by a holder of the same number of Partnership Common Units, assuming such holder is not a Person with which the Partnership consolidated or into which the Partnership merged or which merged into the Partnership or to which such sale or transfer was made, as the case may be (a "Constituent Person"), or an affiliate of a Constituent Person. In the event that holders of

Partnership Common Units have the opportunity to elect the form or type of consideration to be received upon consummation of the Transaction, prior to such Transaction the General Partner shall give prompt written notice to each holder of LTIP Units of such opportunity, and shall use commercially reasonable efforts to afford the holder of LTIP Units the right to elect, by written notice to the General Partner, the form or type of consideration to be received upon conversion of each LTIP Unit held by such holder into Partnership Common Units in connection with such Transaction. If a holder of LTIP Units fails to make such an election, such holder (and any of its transferees) shall receive upon conversion of each LTIP Unit held by him or her (or by any of his or her transferees) the same kind and amount of consideration that a holder of Partnership Common Units would receive if such holder of Partnership Common Units failed to make such an election. Subject to the rights of the Partnership and the General Partner under any Vesting Agreement and the relevant terms of the Plan or any other applicable Equity Plan, the Partnership shall use commercially reasonable effort to cause the terms of any Transaction to be consistent with the provisions of this Section 11(f) and to enter into an agreement with the successor or purchasing entity, as the case may be, for the benefit of any holder of LTIP Units whose LTIP Units will not be converted into Partnership Common Units in connection with the Transaction that will (i) contain provisions enabling the Qualifying Parties that remain outstanding after such Transaction to convert their LTIP Units into securities as comparable as reasonably possible under the circumstances to the Partnership Common Units and (ii) preserve as far as reasonably possible under the circumstances the distribution, special allocation, conversion, and other rights set forth in the Agreement, including this Exhibit H, for the benefit of the holder of LTIP Units.

(g) No conversion of LTIP Units into Partnership Common Units, or Partnership Units that are not LTIP Units, may be made by a Person if, based on the advice of the Partnership's counsel or accounting firm, the Partnership believes there is a material risk that such conversion could (i) result in the Partnership's being treated as an association taxable as a corporation (other than a qualified REIT subsidiary within the meaning of Section 856(i) of the Code), (ii) adversely affect the ability of the Company to continue to qualify as a REIT or subject the Company to any additional taxes under Section 857 or Section 4981 of the Code, or (iii) be effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code or cause the Partnership to fail to qualify for a safe harbor from such treatment which the Partnership desires to preserve.

12. Redemption of Partnership Common Units Issued Upon Conversion of LTIP Units.

(a) Holders of LTIP Units shall not be entitled to the Redemption Right provided for in Section 8.05 of the Agreement, unless, until and to the extent such LTIP Units have either satisfied the LTIP Unit Redemption Threshold or have been converted into Partnership Common Units (or any other class or series of Partnership Units entitled to such Redemption Right) in accordance with their terms.

(b) If the General Partner acquires any LTIP Unit in connection with the exercise of a Redemption Right by the holder of such LTIP Unit, such LTIP Unit shall immediately convert into a Partnership Unit that is not an LTIP Unit.

13. Voting. LTIP Limited Partners shall have the same voting rights as Limited Partners holding Partnership Common Units, with the LTIP Units voting together as a single class with the Partnership Common Units and having one vote per LTIP Unit and holders of LTIP Units shall not be entitled to approve, vote on or consent to any other matter.

14. Section 83 Safe Harbor. Each Partner authorizes the General Partner to elect to apply the safe harbor (the “Section 83 Safe Harbor”) set forth in proposed Regulations Section 1.83-3(l) and proposed Internal Revenue Service Revenue Procedure published in Notice 2005-43 (together, the “Proposed Section 83 Safe Harbor Regulation”) (under which the fair market value of a Partnership Interest that is Transferred in connection with the performance of services is treated as being equal to the liquidation value of the interest), or in similar Regulations or guidance, if such Proposed Section 83 Safe Harbor Regulation or similar Regulations are promulgated as final or temporary Regulations. If the General Partner determines that the Partnership should make such election, the General Partner is hereby authorized to amend the Agreement without the consent of any other Partner to provide that (i) the Partnership is authorized and directed to elect the Section 83 Safe Harbor, (ii) the Partnership and each of its Partners (including any Person to whom a Partnership Interest, including an LTIP Unit, is Transferred in connection with the performance of services) will comply with all requirements of the Section 83 Safe Harbor with respect to all Partnership Interests Transferred in connection with the performance of services while such election remains in effect and (iii) the Partnership and each of its Partners will take all actions necessary, including providing the Partnership with any required information, to permit the Partnership to comply with the requirements set forth or referred to in the applicable Regulations for such election to be effective until such time (if any) as the General Partner determines, in its sole discretion, that the Partnership should terminate such election. The General Partner is further authorized to amend the Agreement to modify Section 5.01(a) of the Agreement to the extent the General Partner determines in its discretion that such modification is necessary or desirable as a result of the issuance of any applicable law, Regulations, notice or ruling relating to the tax treatment of the transfer of a Partnership Interests in connection with the performance of services. Notwithstanding anything to the contrary in the Agreement, each Partner expressly confirms that it will be legally bound by any such amendment.

ANNEX I

NOTICE OF ELECTION BY PARTNER TO CONVERT LTIP UNITS INTO PARTNERSHIP COMMON UNITS

The undersigned holder of LTIP Units hereby irrevocably (i) elects to convert the number of LTIP Units in United Dominion Realty, L.P. (the “Partnership”) set forth below into Partnership Common Units in accordance with the terms of the Amended and Restated Agreement of Limited Partnership of the Partnership, as amended; and (ii) directs that any cash in lieu of Partnership Common Units that may be deliverable upon such conversion to be deliverable upon such conversion be delivered to the address specified below. The undersigned hereby represents, warrants, and certifies that the undersigned (a) has title to such LTIP Units, free and clear of the rights or interests of any other person or entity other than the Partnership; (b) has the full right, power, and authority to cause the conversion of such LTIP Units as provided herein; and (c) has obtained the consent or approval of all persons or entities, if any, having the right to consent or approve such conversion.

Name of LTIP Unit Holder:

Please Print Name as Registered with Partnership

Number of LTIP Units to be Converted:

Date of this Notice:

(Signature of LTIP Unit Holder)

(Street Address)

(City)

(State)

(Zip Code)

Signature Medallion Guaranteed by:

Issue Check Payable to:

Please insert social security
or identifying number:

ANNEX II

NOTICE OF ELECTION BY PARTNERSHIP TO FORCE CONVERSION OF LTIP UNITS INTO PARTNERSHIP COMMON UNITS

United Dominion Realty, L.P. (the “Partnership”) hereby irrevocably (i) elects to cause the number of LTIP Units held by the LTIP Unit holder set forth below to be converted into Partnership Common Units in accordance with the terms of Amended and Restated Agreement of Limited Partnership of the Partnership, as amended.

Name of LTIP Unit Holder:

Please Print Name as Registered with Partnership

Number of LTIP Units to be Converted:

Date of this Notice:

UDR, INC.
1999 LONG-TERM INCENTIVE PLAN

(AS AMENDED AND RESTATED DECEMBER 4, 2015)

ARTICLE 1

PURPOSE

1.1 **GENERAL.** The purpose of the UDR, Inc. 1999 Long-Term Incentive Plan (the “Plan”) is to promote the success, and enhance the value, of UDR, Inc. (the “Company”), by linking the personal interests of its employees, officers, consultants and directors to those of Company stockholders and by providing such persons with an incentive for outstanding performance. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of employees, officers, consultants and directors upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent. Accordingly, the Plan permits the grant of incentive awards from time to time to selected employees, officers, consultants and directors.

ARTICLE 2

EFFECTIVE DATE

2.1 **EFFECTIVE DATE.** For tax reasons, the Plan was approved by the Board of Directors in interim stages. First, the Board approved the Plan on March 9, 1999 as it relates to Awards of Restricted Stock and Performance Units only (the “First Effective Date”), and the Plan became effective as of the First Effective Date for the limited purpose of (i) making Awards of Restricted Stock on or prior to May 31, 1999 to non-officer employees of the Company and (ii) making cash Performance Unit Awards under Article 9 of the Plan with respect to a performance period beginning on January 1, 1999.

On January 25, 2000, the Board approved the Plan for the purpose of (i) making Awards of Restricted Stock on or prior to May 31, 2000 to non-officer employees of the Company, (ii) making Awards of Restricted Stock on or prior to May 31, 2000 to certain officers of the Company from shares purchased by the Company on the open market, and (iii) making cash Performance Unit Awards under Article 9 of the Plan with respect to a performance period beginning on January 1, 2000 (the “Second Effective Date”).

On March 20, 2001, the Board approved the Plan as it relates to all types of Awards under the Plan (the “Third Effective Date”) and the Plan became fully effective as of the Third Effective Date. The Plan was approved by the stockholders of the Company on May 8, 2001. In the discretion of the Committee, Awards may be made to Covered Employees which are intended to constitute qualified performance-based compensation under Code Section 162(m).

The Plan was amended and restated by the Board of Directors on May 4, 2004 to eliminate the express authority under Section 7.1(c) to pay the exercise price of an Option with a

promissory note, which amendment and restatement of the Plan is not subject to stockholder approval.

The Plan was amended and restated by the Board of Directors on July 23, 2004 to modify Sections 14.8 and 14.9 to provide that unless otherwise provided in a Participant's Award Agreement upon a Participant's Death, Disability or Retirement, all outstanding Options, Stock Appreciation Rights and other Awards in the nature of rights that may be exercised shall become fully exercisable and all restrictions on outstanding Awards shall lapse, which amendment and restatement of the Plan is not subject to stockholder approval.

The Plan was amended and restated by the Board of Directors on February 10, 2006, to eliminate the automatic grant of formula awards to non-employee directors and to update non-material terms of the Plan (par value of common stock and other nomenclature) to conform to Maryland versus Virginia corporate law, which amendment and restatement of the Plan is not subject to stockholder approval.

The Plan was amended and restated by the Board of Directors on February 7, 2008 generally as follows: (i) to change the name of the Company from United Dominion Realty Trust, Inc. to UDR, Inc.; and (ii) to provide that the grant price of any Stock Appreciation Right may not be reduced except as provided in Section 15.1 or otherwise with the consent of the stockholders, which amendment and restatement of the Plan is not subject to stockholder approval.

The Plan was amended and restated by the Board of Directors on May 30, 2008 generally as follows: (i) to limit the term of Options and Stock Appreciation Rights to 10 years; (ii) to provide that shares of stock that are (a) not issued or delivered as a result of the net settlement of a Stock Appreciation Right or Option, (b) used to pay the exercise price or withholding taxes related to an outstanding Award or (c) repurchased on the open market with the proceeds of the Option exercise price shall not again become available for issuance under the Plan; (iii) to provide that the exercise price per share of an Option shall in no event be less than the Fair Market Value of one share of stock on the date of grant; (iv) to provide that the maximum Fair Market Value of any Awards, other than Options or Stock Appreciation Rights, that may be received by a Participant during any one calendar year shall be \$2,000,000; (v) to provide that in no event may a Stock Appreciation Right be exercisable for more than 10 years from the date of its grant; (vi) to provide that, except as provided in Section 15.1, without the consent of stockholders an Award may not be exchanged or bought out if the effect is to lower the exercise price of the Option or the grant price of the Stock Appreciation Right; (vii) to provide that, except as provided in Section 15.1, without consent of the stockholders, an Award may not be granted in substitution of another Award if the effect is to replace an Option or Stock Appreciation Right with an Award with a lower exercise or grant price and (viii) to expand the Performance Goals.

Subject to stockholder approval, the Plan was amended and restated by the Board of Directors on March 12, 2009 generally as follows: (i) to increase the number of shares of Stock available for issuance pursuant to Awards from 4,000,000 to 16,000,000; (ii) to provide that the maximum Fair Market Value of any Awards, other than Options or Stock Appreciation Rights, that may be received by a Participant during any one calendar year shall be \$5,000,000, (iii) to

provide that the maximum number of shares of Stock with respect to one or more Options and/or Stock Appreciation Rights that may be granted during any one calendar year under the Plan to any one Participant shall be 5,000,000 shares and (iv) to provide that Awards (other than Options or Stock Appreciation Rights) granted from and after the approval of the Plan at the Company's 2009 Annual Meeting of Stockholders shall count against the Plan reserve as 2.28 shares of Stock for each share of Stock actually subject to the Award.

The Plan was amended and restated by the Board of Directors on February 8, 2013, to revise the treatment of Awards in connection with certain Change of Control transactions.

The Plan was amended and restated by the Board of Directors on February 6, 2014 generally as follows: to (i) increase the number of shares of Stock available for issuance pursuant to Awards from 16,000,000 to 19,000,000; (ii) change the annual per Participant limits on Awards (other than Options, SARs and Cash-Based Awards) to 1,000,000 shares; (iii) provide for Cash-Based Awards; and (iv) expand the Performance Goals.

The Plan was amended and restated by the Committee on December 4, 2015 to provide for Awards of LTIP Units, which amendment and restatement of the Plan is not subject to stockholder approval.

ARTICLE 3

DEFINITIONS

3.1 **DEFINITIONS.** When a word or phrase appears in this Plan with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be given the meaning ascribed to it in this Section or in Section 1.1 unless a clearly different meaning is required by the context. The following words and phrases shall have the following meanings:

- (a) “Award” means any Option, Stock Appreciation Right, Restricted Stock Award, Performance Unit Award, Dividend Equivalent Award, Other Stock-Based Award, Cash-Based Award or LTIP Unit, or any other right or interest relating to Stock or cash, granted to a Participant under the Plan.
- (b) “Award Agreement” means any written agreement, contract, or other instrument or document evidencing an Award.
- (c) “Board” means the Board of Directors of the Company.
- (d) “Cash-Based Award” means a right granted to a Participant under Article 13.
- (e) “Change of Control” means and includes each of the following:
 - (1) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

- (2) the transfer or sale of all or substantially all of the assets of the Company other than to an affiliate or Subsidiary of the Company;
- (3) the liquidation of the Company;
- (4) the acquisition by any person, or by a group of persons acting in concert, of more than fifty percent (50%) of the outstanding voting securities of the Company, which results in the resignation or addition of fifty percent (50%) or more independent members of the Board;
- (5) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the shares of Stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than forty percent (40%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Change of Control; or
- (6) a change in the composition of the Board over a period of twelve (12) months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors.
- (f) “Code” means the Internal Revenue Code of 1986, as amended from time to time.
- (g) “Committee” means the committee of the Board described in Article 4.
- (h) “Company” means UDR, Inc., a Maryland corporation.
- (i) “Consultant” means, and is limited to, a “consultant” or “advisor” with respect to whom the Company would be permitted to use Form S-8 to register the issuance of securities, as described in the General Instructions to Form S-8 under the 1933 Act.
- (j) “Continuing Directors” means members of the Board who either (i) have been Board members continuously for a period of at least twelve (12) months or (ii) have been Board members for less than twelve (12) months and were elected or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board.
- (k) “Covered Employee” means a covered employee as defined in Code Section 162(m)(3).
- (l) “Disability” shall mean any illness or other physical or mental condition of a Participant that renders the Participant incapable of performing his customary and usual

duties for the Company, or any medically determinable illness or other physical or mental condition resulting from a bodily injury, disease or mental disorder which, in the judgment of the Committee, is permanent and continuous in nature. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of the Participant's condition. Notwithstanding the above, with respect to an Incentive Stock Option, Disability shall mean Permanent and Total Disability as defined in Section 22(e)(3) of the Code.

(m) “Dividend Equivalent” means a right granted to a Participant under Article 11.

(n) “Effective Date” means the First, Second or Third Effective Date, as the context requires, as such terms are defined in Section 2.1.

(o) “Fair Market Value”, on any date, means the closing sales price on the New York Stock Exchange on such date or, in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported.

(p) “Incentive Stock Option” means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

(q) “LTIP Unit” means an “LTIP Unit” of the Partnership, including “Class 1 LTIP Units” and “Class 2 LTIP Units” (each, as defined in the Partnership Agreement), that is granted under Section 13.2 and is intended to constitute a “profits interest” within the meaning of the Code.”

(r) “Non-Employee Director” means a member of the Board who is not an employee of the Company or any Parent or Subsidiary.

(s) “Non-Qualified Stock Option” means an Option that is not an Incentive Stock Option.

(t) “Option” means a right granted to a Participant under Article 7 of the Plan to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Non-Qualified Stock Option.

(u) “Other Stock-Based Award” means a right, granted to a Participant under Article 12 that relates to or is valued by reference to Stock or other Awards relating to Stock.

(v) “Parent” means a corporation that owns or beneficially owns a majority of the outstanding voting stock or voting power of the Company. For Incentive Stock Options, the term shall have the same meaning as set forth in Code Section 424(e).

(w) “Participant” means a person who, as an employee, officer, consultant or director of the Company or any Parent or Subsidiary, has been granted an Award under the Plan.

(x) “Partnership” means United Dominion Realty, L.P., a Delaware limited partnership.

(y) “Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P. (as amended from time to time).

(z) “Performance Unit” means a right granted to a Participant under Article 9, to receive cash, Stock, or other Awards, the payment of which is contingent upon achieving certain performance goals established by the Committee.

(aa) “Plan” means the UDR, Inc. 1999 Long-Term Incentive Plan, as amended from time to time.

(bb) “Restricted Stock Award” means Stock granted to a Participant under Article 10 that is subject to certain restrictions and to risk of forfeiture.

(cc) “Retirement” means a Participant’s termination of employment with the Company, Parent or Subsidiary after attaining any normal or early retirement age specified in any pension, profit sharing or other retirement program sponsored by such company, or, in the event of the inapplicability thereof with respect to the person in question, as determined by the Committee in its reasonable judgment.

(dd) “Stock” means the \$0.01 par value Common Stock of the Company, and such other securities of the Company as may be substituted for Stock pursuant to Article 14.

(ee) “Stock Appreciation Right” or “SAR” means a right granted to a Participant under Article 8 to receive a payment equal to the difference between the Fair Market Value of a share of Stock as of the date of exercise of the SAR over the grant price of the SAR, all as determined pursuant to Article 8.

(ff) “Subsidiary” means any corporation, limited liability company, partnership or other entity that is directly, or indirectly through one or more intermediaries, controlled by or under common control with the Company. Notwithstanding the foregoing, for purposes of Incentive Stock Options granted under the Plan, the term “Subsidiary” shall have the meaning set forth in Code Section 424(f).

(gg) “1933 Act” means the Securities Act of 1933, as amended from time to time.

(hh) “1934 Act” means the Securities Exchange Act of 1934, as amended from time to time.

ARTICLE 4

ADMINISTRATION

4.1 COMMITTEE. The Plan shall be administered by the Compensation Committee of the Board or, at the discretion of the Board from time to time, by the Board. The Committee shall consist of two or more members of the Board. It is intended that the directors appointed to serve on the Committee shall be “non-employee directors” (within the meaning of Rule 16b-3 promulgated under the 1934 Act) and “outside directors” (within the meaning of Code

Section 162(m) and the regulations thereunder) to the extent that Rule 16b-3 and, if necessary for relief from the limitation under Code Section 162(m) and such relief is sought by the Company, Code Section 162(m), respectively, are applicable. However, the mere fact that a Committee member shall fail to qualify under either of the foregoing requirements shall not invalidate any Award made by the Committee, which Award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board. During any time that the Board is acting as administrator of the Plan, it shall have all the powers of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4.1) shall include the Board.

4.2 ACTION BY THE COMMITTEE. For purposes of administering the Plan, the following rules of procedure shall govern the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved unanimously in writing by the members of the Committee in lieu of a meeting shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Parent or Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

4.3 AUTHORITY OF COMMITTEE. The Committee has the exclusive power, authority and discretion to do the following; except as such discretion shall be delegated as provided below in this Section 4.3:

- (a) Designate Participants;
- (b) Determine the type or types of Awards to be granted to each Participant;
- (c) Determine the number of Awards to be granted and the number of shares of Stock or LTIP Units to which an Award will relate;
- (d) Determine the terms and conditions of any Award granted under the Plan, including but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, based in each case on such considerations as the Committee in its sole discretion determines;
- (e) Accelerate the vesting, exercisability or lapse of restrictions of any outstanding Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (f) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Stock, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
- (g) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

- (h) Decide all other matters that must be determined in connection with an Award;
- (i) Establish, adopt or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;
- (j) Make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan; and
- (k) Amend the Plan or any Award Agreement as provided herein.

Notwithstanding the above, the Board or the Committee may expressly delegate to a special committee consisting of one or more directors who are also officers of the Company some or all of the Committee's authority under subsections (a) through (g) above with respect to those eligible Participants who, at the time of grant are not, and are not anticipated to become, either (i) Covered Employees or (ii) persons subject to the insider trading rules of Section 16 of the 1934 Act.

4.4 **DECISIONS BINDING.** The Committee's interpretation of the Plan, any Awards granted under the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE 5

SHARES SUBJECT TO THE PLAN

5.1 **NUMBER OF SHARES.** Subject to adjustment as provided in Section 15.1, the aggregate number of shares of Stock reserved and available for Awards or which may be used to provide a basis of measurement for or to determine the value of an Award (such as with a Stock Appreciation Right or Performance Unit Award) shall be 19,000,000. The maximum number of shares of Stock that may be issued subject to Incentive Stock Options shall be 19,000,000 shares. Awards (other than Options or Stock Appreciation Rights) granted from and after the approval of the Plan at the Company's 2009 Annual Meeting of Stockholders, shall be counted against this number as 2.28 shares of Stock for each share of Stock actually subject to the Award. Each LTIP Unit issued pursuant to an Award shall be treated as a share of Stock for purposes of calculating the aggregate number of shares of Stock available for issuance under the Plan as set forth in this Section 5.1 and for purposes of calculating the award limits set forth in Section 5.4 hereof.

5.2 **LAPSED AWARDS.** To the extent that an Award is canceled, terminates, expires, is forfeited or lapses for any reason, any shares of Stock subject to the Award will again be available for the grant of an Award under the Plan and shares subject to SARs or other Awards settled in cash will be available for the grant of an Award under the Plan. Shares of Stock that are (a) not issued or delivered as a result of the net settlement of a Stock Appreciation Right or Option, (b) used to pay the exercise price or withholding taxes related to an outstanding Award, or (c) repurchased on the open market with the proceeds of the Option exercise price shall not again become available for issuance under the Plan. If shares subject to an Award again become available under the Plan pursuant to this Section 5.2, the number of shares that become

available shall equal the number of shares that counted against the Plan reserve pursuant to Section 5.1.

5.3 STOCK DISTRIBUTED. Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

5.4 LIMITATION ON AWARDS. Notwithstanding any provision in the Plan to the contrary (but subject to adjustment as provided in Section 15.1), the maximum number of shares of Stock with respect to one or more Options and/or SARs that may be granted during any one calendar year under the Plan to any one Participant shall be 5,000,000. The maximum number of shares of Stock with respect Awards (other than Options, SARs and/or Cash-Based Awards) that are intended to constitute qualified performance-based compensation under Code Section 162(m) that may be received by a Participant during any one calendar year under the Plan shall be 1,000,000. For Cash-Based Awards that are intended to constitute qualified performance-based compensation under Code Section 162(m), with respect to each twelve month period that constitutes or is part of each performance period, the maximum amount that may be paid to a Participant pursuant to such Awards shall be \$10,000,000. In addition, the foregoing limitation shall be prorated for any performance period consisting of fewer than twelve months by multiplying such limitation by a fraction, the numerator of which is the number of months in the performance period and the denominator of which is twelve.

ARTICLE 6

ELIGIBILITY

6.1 GENERAL. Awards may be granted only to individuals who are employees, officers, consultants or directors of the Company or a Parent or Subsidiary.

ARTICLE 7

STOCK OPTIONS

7.1 GENERAL. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) EXERCISE PRICE. The exercise price per share of Stock under an Option shall be determined by the Committee, but shall in no event be less than the Fair Market Value of one share of Stock on the date of grant.

(b) TIME AND CONDITIONS OF EXERCISE. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, subject to Section 7.1(e). The Committee also shall determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised or vested. The Committee may waive any exercise or vesting provisions at any time in whole or in part based upon factors as the Committee may determine in its sole discretion so that the Option becomes exercisable or vested at an earlier date. The Committee may permit an arrangement whereby receipt of Stock upon exercise of an Option is delayed until a specified future date.

(c) PAYMENT. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation, cash, shares of Stock, or other property (including “cashless exercise” arrangements), and the methods by which shares of Stock shall be delivered or deemed to be delivered to Participants; provided that if shares of Stock are used to pay the exercise price of an Option, such shares must have been held by the Participant for the minimum period required to avoid an adverse accounting impact for the Company. When shares of Stock are delivered, such delivery may be by attestation of ownership or actual delivery.

(d) EVIDENCE OF GRANT. All Options shall be evidenced by a written Award Agreement between the Company and the Participant. The Award Agreement shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee.

(e) EXERCISE TERM. In no event may any Option be exercisable for more than ten years from the date of its grant.

(f) NO RE-LOAD OPTIONS. The Committee shall not provide in an Award Agreement, or in an amendment thereto, for the automatic grant of a new Option to any Participant who delivers shares of Stock as full or partial payment of the exercise price of the original Option.

7.2 INCENTIVE STOCK OPTIONS. The terms of any Incentive Stock Options granted under the Plan must comply with the following additional rules:

(a) EXERCISE PRICE. The exercise price per share of Stock shall be set by the Committee, provided that the exercise price for any Incentive Stock Option shall not be less than the Fair Market Value as of the date of the grant.

(b) EXERCISE. In no event may any Incentive Stock Option be exercisable for more than ten years from the date of its grant.

(c) LAPSE OF OPTION. An Incentive Stock Option shall lapse under the earliest of the following circumstances; provided, however, that the Committee may, prior to the lapse of the Incentive Stock Option under the circumstances described in paragraphs (3), (4) and (5) below, provide in writing that the Option will extend until a later date, but if an Option is exercised after the dates specified in paragraphs (3), (4) and (5) below, it will automatically become a Non-Qualified Stock Option:

(1) The Incentive Stock Option shall lapse as of the option expiration date set forth in the Award Agreement.

(2) The Incentive Stock Option shall lapse ten years after it is granted, unless an earlier time is set in the Award Agreement.

(3) If the Participant terminates employment for any reason other than as provided in paragraph (4) or (5) below, the Incentive Stock Option shall lapse, unless it is previously exercised, three months after the Participant’s termination of employment; provided, however, that if the Participant’s employment is terminated by the Company for cause or by the

Participant without the consent of the Company (in either case, as determined by the Company and communicated in writing to the Participant), the Incentive Stock Option shall (to the extent not previously exercised) lapse immediately.

(4) If the Participant terminates employment by reason of his Disability, the Incentive Stock Option shall lapse, unless it is previously exercised, one year after the Participant's termination of employment.

(5) If the Participant dies while employed, or during the three-month period described in paragraph (3) or during the one-year period described in paragraph (4) and before the Option otherwise lapses, the Option shall lapse one year after the Participant's death. Upon the Participant's death, any exercisable Incentive Stock Options may be exercised by the Participant's beneficiary, determined in accordance with Section 14.5.

If a Participant exercises an Option after termination of employment, the Option may be exercised only with respect to the shares that were otherwise vested on the Participant's termination of employment.

(d) INDIVIDUAL DOLLAR LIMITATION. The aggregate Fair Market Value (determined as of the time an Award is made) of all shares of Stock with respect to which Incentive Stock Options are first exercisable by a Participant in any calendar year may not exceed \$100,000.00.

(e) TEN PERCENT OWNERS. No Incentive Stock Option shall be granted to any individual who, at the date of grant, owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary unless the exercise price per share of such Option is at least 110% of the Fair Market Value per share of Stock at the date of grant and the Option expires no later than five years after the date of grant.

(f) EXPIRATION OF INCENTIVE STOCK OPTIONS. No Award of an Incentive Stock Option may be made pursuant to the Plan after the day immediately prior to the tenth anniversary of a Plan effective date under Code Section 422(b)(2).

(g) RIGHT TO EXERCISE. During a Participant's lifetime, an Incentive Stock Option may be exercised only by the Participant or, in the case of the Participant's Disability, by the Participant's guardian or legal representative.

(h) DIRECTORS AND CONSULTANTS. The Committee may not grant an Incentive Stock Option to a non-employee director or consultant. The Committee may grant an Incentive Stock Option to a director who is also an employee of the Company or Parent or Subsidiary but only in that individual's position as an employee and not as a director.

ARTICLE 8

STOCK APPRECIATION RIGHTS

8.1 GRANT OF SARS. The Committee is authorized to grant SARs to Participants on the following terms and conditions:

(a) RIGHT TO PAYMENT. Upon the exercise of a Stock Appreciation Right, the Participant to whom it is granted has the right to receive the excess, if any, of:

(1) The Fair Market Value of one share of Stock on the date of exercise; over

(2) The grant price of the Stock Appreciation Right as determined by the Committee, which shall not be less than the Fair Market Value of one share of Stock on the date of grant.

(b) TERM OF SARS. In no event may any Stock Appreciation Right be exercisable for more than ten years from the date of its grant.

(c) OTHER TERMS. All awards of Stock Appreciation Rights shall be evidenced by an Award Agreement. The terms, methods of exercise, methods of settlement, form of consideration payable in settlement, and any other terms and conditions of any Stock Appreciation Right shall be determined by the Committee at the time of the grant of the Award and shall be reflected in the Award Agreement.

ARTICLE 9

PERFORMANCE UNITS

9.1 GRANT OF PERFORMANCE UNITS. The Committee is authorized to grant Performance Units to Participants on such terms and conditions as may be selected by the Committee. The Committee shall have the complete discretion to determine the number of Performance Units granted to each Participant, subject to Section 5.4. All Awards of Performance Units shall be evidenced by an Award Agreement.

9.2 RIGHT TO PAYMENT. A grant of Performance Units gives the Participant rights, valued as determined by the Committee, and payable to, or exercisable by, the Participant to whom the Performance Units are granted, in whole or in part, as the Committee shall establish at grant or thereafter. The Committee shall set performance goals and other terms or conditions to payment of the Performance Units in its discretion which, depending on the extent to which they are met, will determine the number and value of Performance Units that will be paid to the Participant. If the terms of a Performance Unit so provide, the Participant may elect to defer payment of the Performance Unit under an applicable deferred compensation plan maintained by the Company.

9.3 OTHER TERMS. Performance Units may be payable in cash, Stock, or other property, and have such other terms and conditions as determined by the Committee and reflected in the Award Agreement.

ARTICLE 10

RESTRICTED STOCK AWARDS

10.1 GRANT OF RESTRICTED STOCK. The Committee is authorized to make Awards of Restricted Stock to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee. All Awards of Restricted Stock shall be evidenced by a Restricted Stock Award Agreement.

10.2 ISSUANCE AND RESTRICTIONS. Restricted Stock shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, upon the satisfaction of performance goals or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

10.3 FORFEITURE. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment during the applicable restriction period or upon failure to satisfy a performance goal during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited and reacquired by the Company; provided, however, that the Committee may provide in any Award Agreement that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.

10.4 CERTIFICATES FOR RESTRICTED STOCK. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing shares of Restricted Stock are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

ARTICLE 11

DIVIDEND EQUIVALENTS

11.1 GRANT OF DIVIDEND EQUIVALENTS. The Committee is authorized to grant Dividend Equivalents to Participants subject to such terms and conditions as may be selected by the Committee. Dividend Equivalents shall entitle the Participant to receive payments equal to dividends with respect to all or a portion of the number of shares of Stock subject to an Award, as determined by the Committee. The Committee may provide that Dividend Equivalents be paid or distributed when accrued or be deemed to have been reinvested in additional shares of Stock, or otherwise reinvested. Dividend Equivalents shall not be granted with respect to Options or SARs. Dividend Equivalents granted with respect to Performance Units may not be paid except to the extent the underlying shares of Stock have been earned.

ARTICLE 12

OTHER STOCK-BASED AWARDS

12.1 GRANT OF OTHER STOCK-BASED AWARDS. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of Stock, as deemed by the Committee to be consistent with the purposes of the Plan, including without limitation shares of Stock awarded purely as a “bonus” and not subject to any restrictions or conditions, convertible or exchangeable debt securities, other rights convertible or exchangeable into shares of Stock, and Awards valued by reference to book value of shares of Stock or the value of securities of or the performance of specified Parents or Subsidiaries. The Committee shall determine the terms and conditions of such Awards.

ARTICLE 13

13.1 GRANT OF OTHER CASH-BASED AWARDS. The Committee is authorized, subject to limitations under applicable law, to grant to Participants Awards that are denominated in cash and that may be settled in cash and/or shares of Stock, as deemed by the Committee to be consistent with the purposes of the Plan. The Committee shall determine the terms and conditions of such Awards.

13.2 LTIP UNITS. The Committee is authorized to grant LTIP Units to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee; provided, however, that LTIP Units may only be issued to a Participant for the performance of services to or for the benefit of the Partnership (a) in the Participant’s capacity as a partner of the Partnership, (b) in anticipation of the Participant becoming a partner of the Partnership, or (c) as otherwise determined by the Committee, provided that the LTIP Units are intended to constitute “profits interests” within the meaning of the Code, including, to the extent applicable, Revenue Procedure 93-27, 1993-2 C.B. 343 and Revenue Procedure 2001-43, 2001-2 C.B. 191. The Committee shall specify the conditions and dates upon which the LTIP Units shall vest and become nonforfeitable. LTIP Units shall be subject to the terms and conditions of the Partnership Agreement and such other restrictions, including restrictions on transferability (including by redemption or conversion), as the Committee may impose. These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

ARTICLE 14

PROVISIONS APPLICABLE TO AWARDS

14.1 STAND-ALONE, TANDEM, AND SUBSTITUTE AWARDS. Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for, any other Award granted under the Plan. If an Award is granted in substitution for another Award, the Committee may require the surrender of such other Award in consideration of the grant of the new Award. Notwithstanding the foregoing, as

provided in Section 16.1, except as provided in Section 15.1, without the consent of the stockholders, an Award may not be granted in substitution of another Award if the effect is to replace an Option or Stock Appreciation Right with an Award with a lower exercise or grant price. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

14.2 EXCHANGE PROVISIONS. The Committee may at any time offer to exchange or buy out any previously granted Award for a payment in cash, Stock, or another Award (subject to Section 15.1), based on the terms and conditions the Committee determines and communicates to the Participant at the time the offer is made, and after taking into account the tax, securities and accounting effects of such an exchange. Notwithstanding the foregoing, as provided in Section 16.1, except as provided in Section 15.1, without the consent of the stockholders an Award may not be exchanged or bought out if the effect is to lower the exercise price of the Option or the grant price of the Stock Appreciation Right.

14.3 TERM OF AWARD. The term of each Award shall be for the period as determined by the Committee, provided that in no event shall the term of any Incentive Stock Option or a Stock Appreciation Right granted in tandem with the Incentive Stock Option exceed a period of ten years from the date of its grant (or, if Section 7.2(e) applies, five years from the date of its grant).

14.4 FORM OF PAYMENT FOR AWARDS. Subject to the terms of the Plan and any applicable law or Award Agreement, payments or transfers to be made by the Company or a Parent or Subsidiary on the grant or exercise of an Award may be made in such form as the Committee determines at or after the time of grant, including without limitation, cash, Stock, other Awards, or other property, or any combination, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case determined in accordance with rules adopted by, and at the discretion of, the Committee.

14.5 LIMITS ON TRANSFER. No right or interest of a Participant in any unexercised or restricted Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Parent or Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Parent or Subsidiary. No unexercised or restricted Award shall be assignable or transferable by a Participant other than by will or the laws of descent and distribution or, except in the case of an Incentive Stock Option, pursuant to a domestic relations order that would satisfy Section 414(p)(1)(A) of the Code if such Section applied to an Award under the Plan; provided, however, that the Committee may (but need not) permit other transfers where the Committee concludes that such transferability (i) does not result in accelerated taxation, (ii) does not cause any Option intended to be an incentive stock option to fail to be described in Code Section 422(b), and (iii) is otherwise appropriate and desirable, taking into account any factors deemed relevant, including without limitation, any state or federal tax or securities laws or regulations applicable to transferable Awards.

14.6 BENEFICIARIES. Notwithstanding Section 14.5, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's

death. A beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, payment shall be made to the Participant's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

14.7 STOCK CERTIFICATES. All Stock issued under the Plan is subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate or issue instructions to the transfer agent to reference restrictions applicable to the Stock.

14.8 ACCELERATION UPON DEATH OR DISABILITY. Notwithstanding any other provision in the Plan and unless otherwise provided in any Participant's Award Agreement, upon the Participant's death or Disability during his employment or service as a director or consultant, all outstanding Options, Stock Appreciation Rights, and other Awards in the nature of rights that may be exercised shall become fully exercisable and all restrictions on outstanding Awards shall lapse. Any Option or Stock Appreciation Rights Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Agreement. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Section 7.2(d), the excess Options shall be deemed to be Non-Qualified Stock Options.

14.9 ACCELERATION UPON RETIREMENT. Notwithstanding any other provision in the Plan and unless otherwise provided in any Participant's Award Agreement, upon the Participant's Retirement, all outstanding Options, Stock Appreciation Rights, and other Awards in the nature of rights that may be exercised shall become fully exercisable and all restrictions on outstanding Awards shall lapse. Any Option or Stock Appreciation Rights Awards shall thereafter remain exercisable until the original expiration date of the Award. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Section 7.2(d), the excess Options shall be deemed to be Non-Qualified Stock Options.

14.10 ACCELERATION UPON A CHANGE OF CONTROL. Except as otherwise provided in the Award Agreement, upon the occurrence of a Change of Control, all outstanding Options, Stock Appreciation Rights, and other Awards in the nature of rights that may be exercised shall become fully exercisable and all restrictions on outstanding Awards shall lapse. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Section 7.2(d), the excess Options shall be deemed to be Non-Qualified Stock Options.

14.11 RESERVED.

14.12 RESERVED.

14.13 EFFECT OF ACCELERATION. In the event of a Change of Control, the Committee may, in its sole discretion, provide (i) (other than in the event of a Change of Control defined in Section 3.1(e)(4) or 3.1(e)(6)) that the Award will expire after a designated period of time to the extent not then exercised, (ii) that the Award will be settled in cash rather than Stock, (iii) that the Award will be assumed by another party to the transaction giving rise to the acceleration or otherwise be equitably converted in connection with such transaction, or (iv) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated.

14.14 PERFORMANCE GOALS. The Committee may determine that any Award granted pursuant to this Plan to a Participant (including, but not limited to, Participants who are Covered Employees) shall be determined solely on the basis of (a) the achievement by the Company or a Parent or Subsidiary of a specified target return, or target growth in return, on equity or assets, (b) the Company's total stockholder return (stock price appreciation plus reinvested dividends) relative to a defined comparison group or target over a specific performance period or periods, (c) the Company's stock price, (d) the achievement by an individual, group of individuals, the Company, or a business unit or division of the Company, Parent or Subsidiary of a specified target, or target growth in, relative to a defined comparison group or otherwise, revenues, net income or earnings per share, or including but not limited to, targets based, in whole or part, on funds from operations (adjusted or otherwise), net asset value, asset quality, same store revenue growth, same store expense growth, net operating income (including, but not limited to, same store net operating income), operating margin, development or redevelopment activities (including, but not limited to, development or redevelopment funds from operations), lease-up activities, funds from operations pay-out ratio, net financial capabilities (including, but not limited to, with respect to cash, liquid receivables, available lines of credit or debt maturities), leverage ratio, balance sheet, credit rating, debt maturity, liquidity, credit capacity, fixed charges (including, but not limited to, fixed charge ratios), debt, net debt, earnings before or after taxes, interest, depreciation, or amortization, transactions (including, but not limited to, consummation of acquisitions, sales, joint ventures or financings), portfolio enhancement, mitigation plans or strategies or (e) the achievement of objectively determinable goals with respect to service or product delivery, service or product quality, sales or marketing (including, but not limited to, web traffic, technology penetration, web platform (including, but not limited to, social networking platform), online leasing, concierge services or call centers), customer retention or satisfaction, expansion of revenue or income streams, sourcing of low cost capital, operational efficiencies, dividend growth, earnings multiple improvement, meeting budgets, staffing, retention, growth, development, engagement, integration, succession and/or reviewing performance of employees, business or strategic plans, investor communications or relations, compliance (including, but not limited to, with respect to accounting, tax, external or regulatory filings, internal financial reporting, audits (including, but not limited to, internal audits) or contract policies), financial planning or analysis or (e) any combination or subset of the goals set forth in (a) through (d) above. If an Award is made on such basis, the Committee shall establish goals prior to the beginning of the period for which such performance goal relates (or such later date as may be permitted under Code Section 162(m) or the regulations thereunder) and the Committee has the right for any reason to reduce (but not increase) the Award, notwithstanding the achievement of a specified goal. Any payment of an Award granted with performance goals shall be conditioned on the written certification of the Committee in each case that the performance goals and any other material conditions were satisfied.

14.15 TERMINATION OF EMPLOYMENT. Whether military, government or other service or other leave of absence shall constitute a termination of employment shall be determined in each case by the Committee at its discretion, and any determination by the Committee shall be final and conclusive. A termination of employment shall not occur (i) in a circumstance in which a Participant transfers from the Company to one of its Parents or Subsidiaries, transfers from a Parent or Subsidiary to the Company, or transfers from one Parent or Subsidiary to another Parent or Subsidiary, or (ii) in the discretion of the Committee as specified at or prior to such occurrence, in the case of a spin-off, sale or disposition of the Participant's employer from the Company or any Parent or Subsidiary. To the extent that this provision causes Incentive Stock Options to extend beyond three months from the date a Participant is deemed to be an employee of the Company, a Parent or Subsidiary for purposes of Section 424(f) of the Code, the Options held by such Participant shall be deemed to be Non-Qualified Stock Options.

ARTICLE 15

CHANGES IN CAPITAL STRUCTURE

15.1 GENERAL. In the event of a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the authorization limits under Section 5.1 and 5.4 shall be adjusted proportionately, and the Committee shall adjust Awards to preserve the benefits or potential benefits of the Awards. Action by the Committee shall include: (i) adjustment of the number and kind of shares or other securities which may be delivered under the Plan; (ii) adjustment of the number and kind of shares or other securities subject to outstanding Awards; (iii) adjustment of the exercise price of outstanding Awards; and (iv) any other adjustments that the Committee determines to be equitable. Without limiting the foregoing, in the event a stock dividend or stock split is declared upon the Stock, the authorization limits under Section 5.1 and 5.4 shall be increased proportionately, and the shares of Stock or other securities then subject to each Award shall be increased proportionately without any change in the aggregate purchase price therefor.

ARTICLE 16

AMENDMENT, MODIFICATION AND TERMINATION

16.1 AMENDMENT, MODIFICATION AND TERMINATION. The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without stockholder approval; provided, however, that the Board or Committee may condition any amendment or modification on the approval of stockholders of the Company if such approval is necessary or deemed advisable with respect to tax, securities or other applicable laws, policies or regulations.

16.2 AWARDS PREVIOUSLY GRANTED. At any time and from time to time, the Committee may amend, modify or terminate any outstanding Award without approval of the Participant; provided, however, that, subject to the terms of the applicable Award Agreement, such amendment, modification or termination shall not, without the Participant's consent, reduce

or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination, and provided further that, except as provided in Section 15.1 or otherwise with the consent of the stockholders, the exercise price of any Option or the grant price of any Stock Appreciation Right may not be reduced. No termination, amendment, or modification of the Plan shall adversely affect any Award previously granted under the Plan, without the written consent of the Participant.

ARTICLE 17

GENERAL PROVISIONS

17.1 NO RIGHTS TO AWARDS. No Participant or eligible participant shall have any claim to be granted any Award under the Plan, and neither the Company nor the Committee is obligated to treat Participants or eligible participants uniformly.

17.2 NO STOCKHOLDER RIGHTS. No Award gives the Participant any of the rights of a stockholder of the Company unless and until shares of Stock are in fact issued to such person in connection with such Award.

17.3 WITHHOLDING. The Company or any Parent or Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the Plan. With respect to withholding required upon any taxable event under the Plan, the Committee may, at the time the Award is granted or thereafter, require or permit that any such withholding requirement be satisfied, in whole or in part, by withholding from the Award shares of Stock having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as the Committee establishes.

17.4 NO RIGHT TO CONTINUED SERVICE. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Company or any Parent or Subsidiary to terminate any Participant's employment or status as an officer, consultant or director at any time, nor confer upon any Participant any right to continue as an employee, officer, consultant or director of the Company or any Parent or Subsidiary.

17.5 UNFUNDED STATUS OF AWARDS. The Plan is intended to be an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Parent or Subsidiary.

17.6 INDEMNIFICATION. To the extent allowable under applicable law, each member of the Committee shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which such member may be a party or in which he may be involved by reason of any action or failure to act under the

Plan and against and from any and all amounts paid by such member in satisfaction of judgment in such action, suit, or proceeding against him provided he gives the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

17.7 RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or any Parent or Subsidiary unless provided otherwise in such other plan.

17.8 EXPENSES. The expenses of administering the Plan shall be borne by the Company and its Parents or Subsidiaries.

17.9 TITLES AND HEADINGS. The titles and headings of the Sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

17.10 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

17.11 FRACTIONAL SHARES. No fractional shares of Stock shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding up.

17.12 GOVERNMENT AND OTHER REGULATIONS. The obligation of the Company to make payment of awards in Stock, LTIP Units or otherwise shall be subject to all applicable laws, rules, and regulations, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register under the 1933 Act, or any state securities act, any of the shares of Stock or LTIP Units issued in connection with the Plan. The shares or LTIP Units issued in connection with the Plan may in certain circumstances be exempt from registration under the 1933 Act, and the Company may restrict the transfer of such shares or LTIP Units in such manner as it deems advisable to ensure the availability of any such exemption.

17.13 GOVERNING LAW. To the extent not governed by federal law, the Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia.

17.14 ADDITIONAL PROVISIONS. Each Award Agreement may contain such other terms and conditions as the Committee may determine; provided that such other terms and conditions are not inconsistent with the provisions of this Plan. The foregoing is hereby acknowledged as being the UDR, Inc. 1999 Long-Term Incentive Plan as amended and restated by the Committee on December 4, 2015.

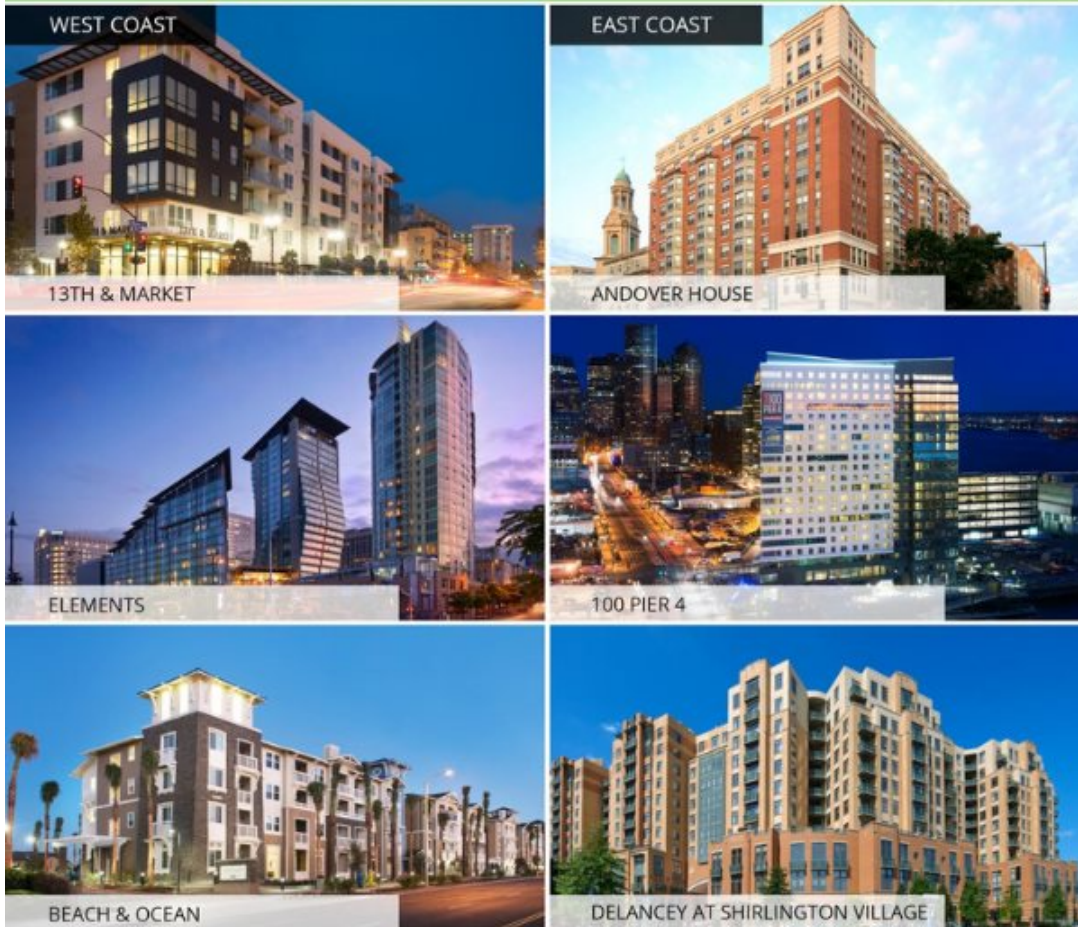
UDR, INC.

By: /s/Warren L. Troupe
Warren L. Troupe
Senior Executive Vice President
and Secretary

JAPAN INVESTOR PRESENTATION

DECEMBER 2015

Exhibit 99.1



UDR, Inc. (NYSE: UDR), has a demonstrated history of successfully managing, buying, selling, developing and redeveloping attractive real estate properties in primary U.S. markets

- S&P 400 Company
- ~\$14.5 Billion Enterprise
- 2015 Annualized Dividend of \$1.11, ~3.0% Yield

CEO:

Thomas Toomey | 720.922.6054

CFO:

Tom Herzog | 720.283.6139

Investor Relations:

Shelby Noble | 720.922.6082



Opening doors to the future®

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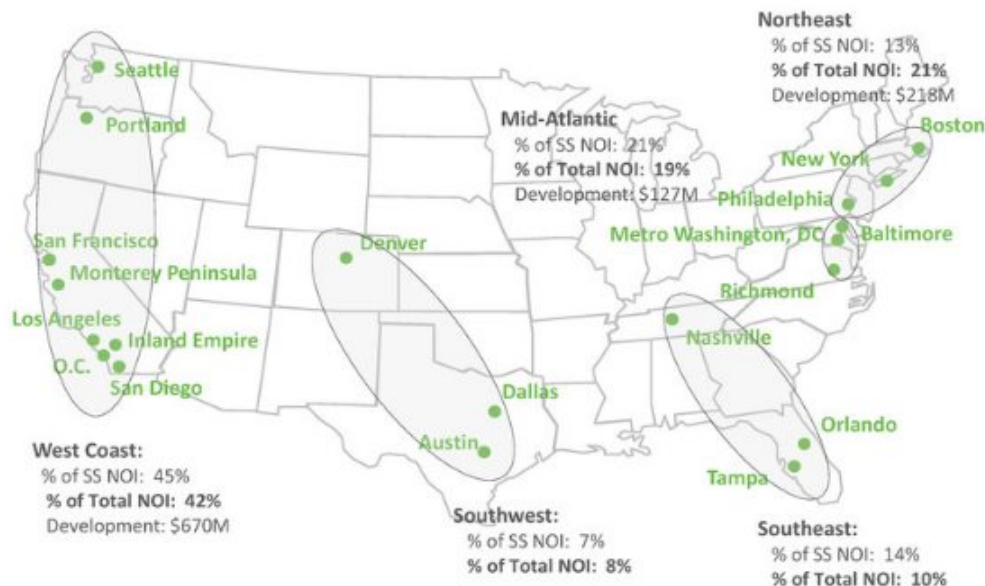
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ABOUT UDR, INC.

UDR STATS ⁽¹⁾

- Established in 1972
- 21 Markets, 172 Communities, 50,814 Homes, ~1,600 Employees ⁽²⁾
- ~\$14.5 Billion Enterprise Value; 25th largest REIT, which represents top 85th percentile
- 172 Consecutive Quarters Paying a Dividend; Currently \$1.11 annually per share representing ~3% Dividend Yield
- Approximately 50% / 50% A / B Property Quality ⁽³⁾ and 50% / 50% Urban / Suburban Locations
- Total Portfolio Revenue per Occupied Home: \$1,933 vs \$1,210 US Average
- Average Age of Communities: 17 years
- \$1 Billion Development Pipeline (70% Funded); 100% in Coastal Markets
- ~\$3B Joint Venture Relationship with MetLife
- S&P 400 Company

UDR'S MARKET COMPOSITION AND PORTFOLIO



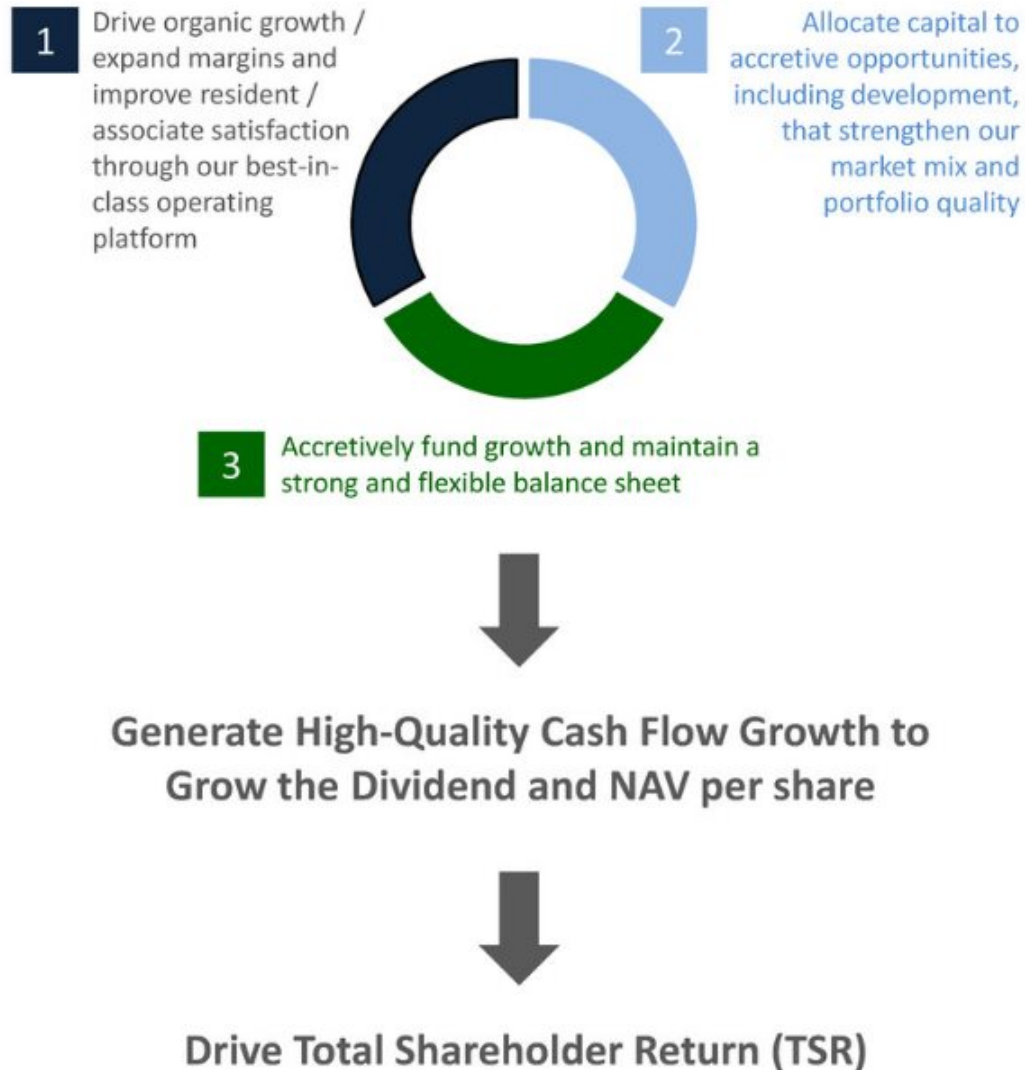
(1) As of September 30th, 2015. Inclusive of wholly-owned homes, homes in development, preferred equity investments and joint venture homes at 100%.

(2) Markets, communities and homes inclusive of Washington, D.C. acquisition and Dec. 1st dispositions.

(3) A properties represent 115%+ of average market rents and B's represent 85-115% of average market rents.
 Source: Company documents.

STRATEGIC OBJECTIVES - OVERVIEW

We remain focused on executing UDR's long-term strategic objectives that will continue to generate safe, consistent cash flow growth and optimize shareholder value



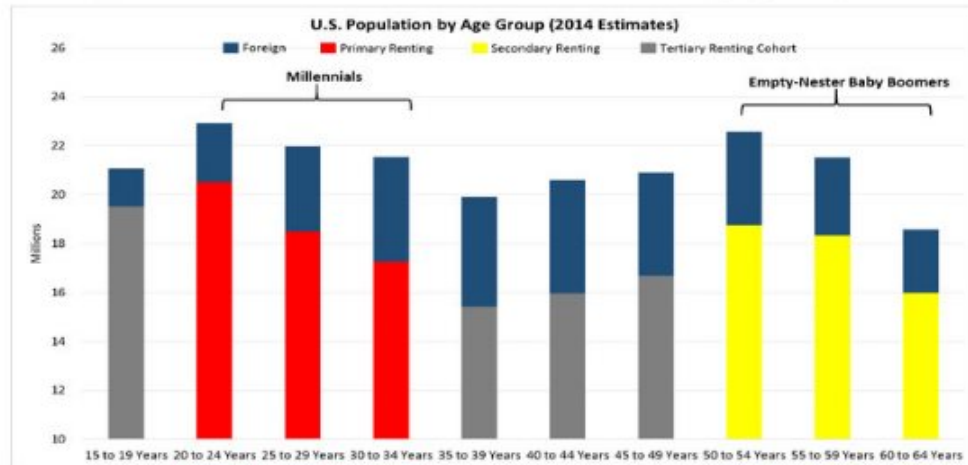


Why Multifamily?

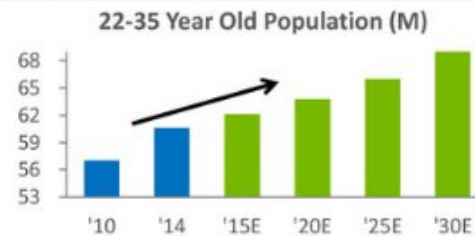
WHY MULTIFAMILY? (DEMAND)

DEMOGRAPHIC TRENDS SIGNAL CONTINUED AND SUSTAINABLE DEMAND FOR RENTAL HOUSING

Millennials are the largest population cohort, followed by Empty-Nester Baby Boomers, both of whom have demonstrated an increased propensity to rent



22-35 year olds comprise the primary renter cohort with a 60%+ propensity to rent. This cohort is forecast to grow through 2030



Millennials are delaying major life decisions that generally lead to homeownership



Peak home-buying age has increased from 29 to 33 since the 1970s.



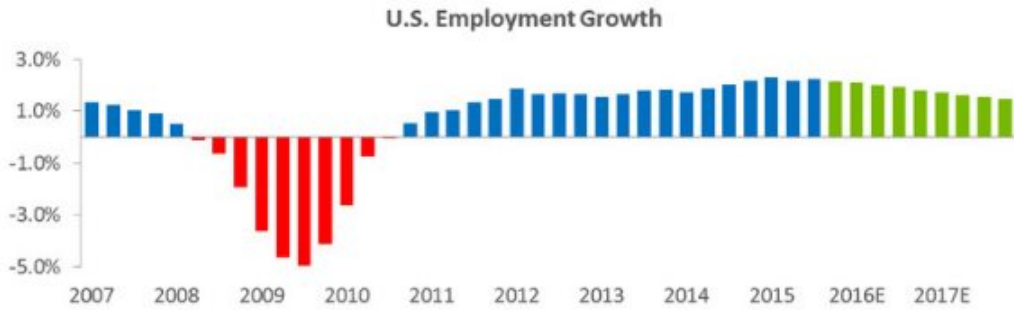
Average age of marriage has increased from 26 to 28 since 2002.



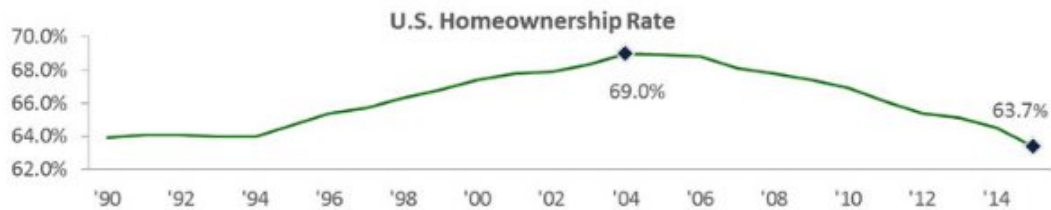
Millennials remain transient. The average job tenure is now 3.2 years.

WHY MULTIFAMILY? (DEMAND)

In addition to population growth, jobs are a primary multifamily demand driver. Job growth is forecast to remain strong in 2016 and 2017



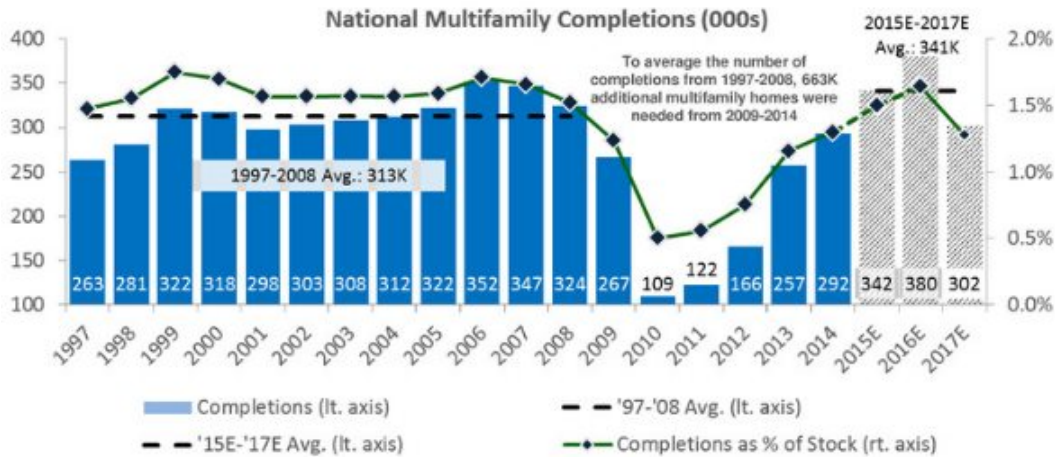
The homeownership rate continues to decline. Every 1% drop in the homeownership rate results in approximately 1.1M new renters



Source: U.S. Census Bureau, Axiometrics, Moody's and Bureau of Labor Statistics.

WHY MULTIFAMILY? (MF SUPPLY)

New multifamily supply is expected to be slightly elevated versus historical norms in 2015 and 2016 before declining in 2017



Our portfolio is well positioned when comparing expected job growth to new supply in our major markets from 2016 through 2017



(1) Size of dots represents UDR's total NOI concentration in a market. Includes joint venture homes at UDR's pro-rata ownership interest. Excludes core markets that contribute less than 1% of NOI.
 Source: Axiometrics and Moody's.

RECENT HIGHLIGHTS



1

GENERATED STRONG THIRD QUARTER 2015 SAME-STORE RESULTS

- 3Q 2015 SS Revenue Growth: 5.9% versus 5.3% for the multifamily peer REIT average
- 3Q 2015 SS NOI Growth: 7.3% versus 6.2% for the multifamily peer REIT average

2

INCREASED FULL-YEAR 2015 EARNINGS AND SAME-STORE GROWTH GUIDANCE FOR THE THIRD TIME THIS YEAR

- FFO as Adjusted per share guidance range increased by \$0.01 at the midpoint
- AFFO per share guidance range increased by \$0.02 at the midpoint
- SS Revenue Growth guidance range: 5.25 to 5.50% (+12.5 bps at the midpoint)
- SS NOI Growth guidance range: 6.25 to 6.75% (+25 bps at the midpoint)

3

COMPLETED \$901M WASHINGTON, DC ACQUISITION

- Acquired six communities in exchange for a combination of \$565M newly issued UDR common OP units at \$35 per unit, \$89M of debt, \$221M of Section 1031 exchanges and \$26M in cash

4

COMPLETED THE DISPOSITION OF \$284M OF COMMUNITIES

- On December 1, 2015 disposed of 8 communities valued at \$284M and exited the Norfolk, VA market
- YTD sold or have under contract \$809M, of which UDR's share of the sales price is \$489M

5

AMENDED UNSECURED CREDIT FACILITY AND TERM LOANS OUTSTANDING

- Increased facility size to \$1.1B and extended maturity date to January 2021, inclusive of a 1 year extension option and repriced to L+90 bps
- Consolidated \$350M of term loans outstanding into one facility, repriced at L+95 bps and extended maturity date to January 2021

6

ISSUED \$300M OF 4.00% SENIOR UNSECURED NOTES DUE 2025

7

ISSUED ~\$102M OF COMMON STOCK AT \$35 PER SHARE, NET, IN-LINE WITH STREET CONSENSUS NAV

8

RECENT OPERATING TRENDS

SS GROWTH ¹	NEW LEASE	RENEWAL	OCCUPANCY
October-November 2015 ⁽¹⁾	4.4%	7.2%	96.6%
October-November 2014 ⁽¹⁾	2.2%	5.3%	96.8%

- Move-outs to home purchase at 12% in 3Q15, in-line with UDR's long-term average

(1) October 1st through November 30th.
Source: Company documents.

DRIVING CASH FLOW GROWTH

Our goal is to provide dependable and recurring cash flow and dividend growth, all while mitigating risk

Same Store
Revenue

Increased
Margins

Development
Returns



NOI Growth



AFFO Growth

2015E AFFO per Share \$1.50 or ~11%



Dividend Growth

2015 Dividend per Share of \$1.11 or ~7%

RISK



OPERATIONS

Drive organic growth and improve resident / associate satisfaction through our best-in-class operating platform



Garrison Square – Boston, MA
Wholly-Owned

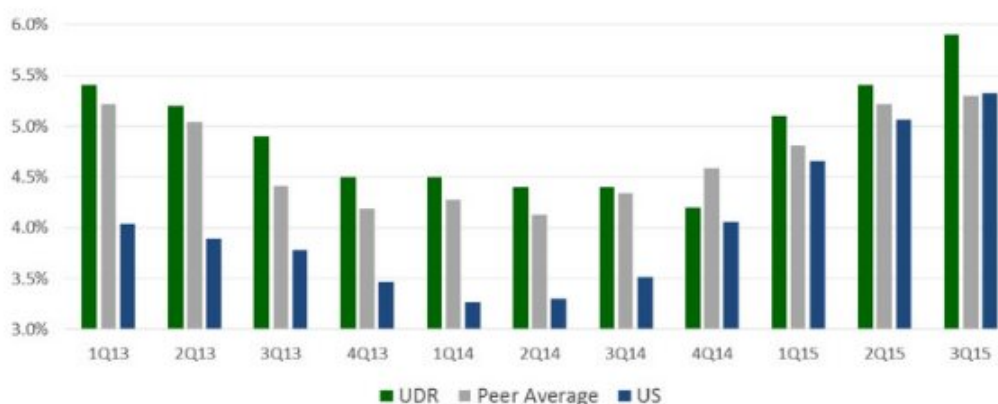
OPERATIONAL EXCELLENCE

Our best-in-class operating platform is a competitive advantage that differentiates UDR and continues to generate strong results versus peers

ACCELERATING NEW LEASE AND RENEWAL GROWTH YTD...

	Effective YOY SS New Lease Rate Growth		Effective YOY SS Renewal Lease Rate Growth	
	2015	2014	2015	2014
January	3.5%	0.1%	5.0%	4.9%
February	4.1%	1.0%	5.7%	5.2%
March	5.0%	1.9%	6.2%	5.4%
April	6.4%	2.6%	6.8%	5.9%
May	8.6%	3.9%	7.1%	5.3%
June	8.0%	4.0%	7.0%	5.3%
July	7.9%	4.1%	7.3%	5.1%
August	7.6%	4.9%	7.5%	5.1%
September	6.8%	4.2%	7.0%	5.3%
October	5.1%	2.7%	7.1%	5.1%
November	3.4%	1.5%	7.3%	5.5%

... LED TO STRONG REVENUE GROWTH WHICH HAS OUTPACED THAT OF PEERS SINCE INITIATING OUR STRATEGIC PLAN IN 2013⁽¹⁾



(1) Excludes historical BRE and CLP results.
Source: Company and peer documents.

OPERATIONS – OPERATING PLATFORM

UDR strives to have a best-in-class operating platform boasting top tier expense management leading to margin improvement over time. Below are examples of some of our operating expense initiatives we have improved upon since the initiation of our strategic plan in 2013:

1 IMPROVE TECHNOLOGY PLATFORM

- Our margins improve as penetration levels increase across our technology platform. Our current penetration levels are provided below:

Initiative	Penetration Level
Online Leasing	64%
Online Renewals	82%
Service Requests	69%
Online Payments	83%

2 REDUCE BAD DEBT EXPENSE

- Today, our bad debt expense is just 20 basis points of gross potential rents, an improvement of over 20 basis points over the past 2 years

3 INCREASE MAINTENANCE STAFF EFFICIENCY

- Use efficiency gains to bring more Repair & Maintenance work in-house
- Approximately 50 minutes per day recovered since 2012, which has resulted in \$2.7M of additional NOI
- We are pursuing an additional 1.5-2.0 hours

4 REDUCE DAYS VACANT

- Since 2012, we have recovered 5 days of vacancy loss, resulting in \$5.1M of additional NOI
- We are pursuing an additional 3 days of reduced vacancy

These are just a few of the initiatives that have improved our operating margin, which today is ~71%, an improvement of 200 basis points since the start of 2013.

We continue to explore additional efficiency opportunities in order to maintain our competitive advantage in operations



CAPITAL ALLOCATION

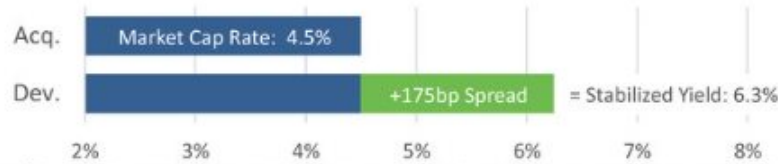
Allocate capital to accretive growth opportunities that strengthen our market mix, portfolio quality and growth rate



CAPITAL ALLOCATION – VALUE CREATION

Development remains our most attractive capital allocation opportunity

Targeted Average Initial Returns Available to UDR

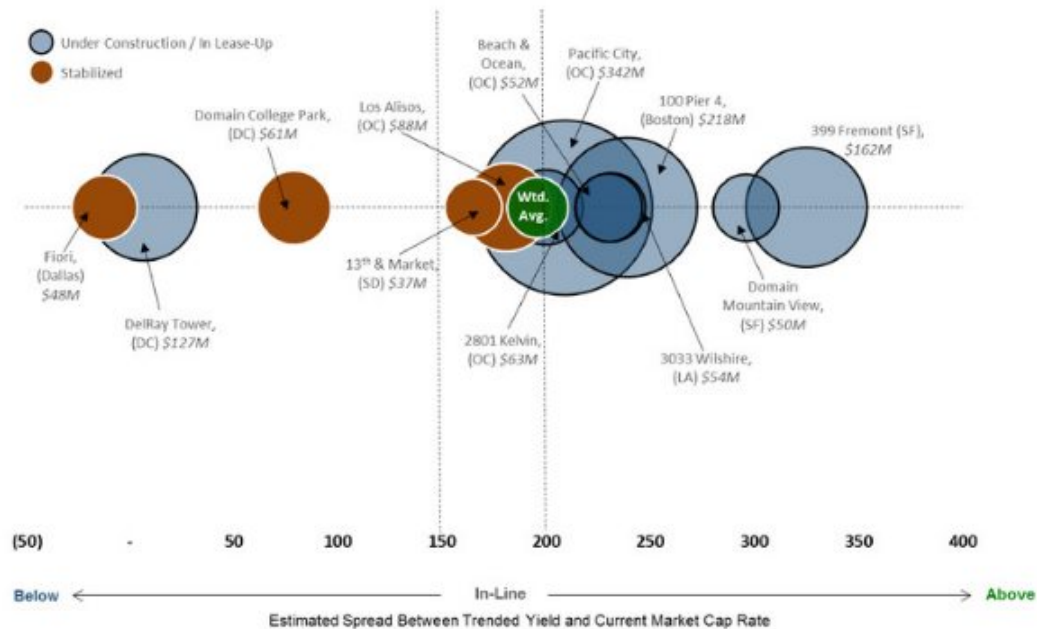


Cash flow/sh and NAV/sh growth are expected to remain strong as developments stabilize

PROGRESS OF DEVELOPMENT PROJECTS – REPRESENTS TOTAL DEVELOPMENT PIPELINE OF \$1.4 BILLION

- In aggregate, our pipeline's weighted average spread between estimated stabilized yields and current cap rates is at the high-end of our 150 to 200 basis point targeted range

Development Project ⁽¹⁾ Performance



(1) Chart excludes Steele Creek – Denver, CO and the West Coast Development Joint Venture. Size of dot indicates relative \$ size, at UDR's pro-rata share, of the development project.
Source: Company documents.

UNDERWAY AND COMPLETED, NON-STABILIZED DEVELOPMENT

- **Size:** 2,390 homes at 100%
- **Cost:** \$1B, \$559K per home at 100%
- **Spent to Date:** \$584M (~70% of equity commitment)
- **Wtd. avg. yield vs. cap rate spread of ~196bps**
- **Completion timeline of remaining underway development:**
 - 2016: \$162M
 - 2017: \$166M
 - 2018: \$342M

WEST COAST DEVELOPMENT JV

- **Size:** 1,533 homes at 100%
- **Going In Value:** \$559M (UDR Share: \$271M), \$365K per home at 100%
- **Completion timeline of remaining underway development:**
 - 2016: \$215M
 - 2017: \$56M

POTENTIAL PIPELINE VALUE CREATION FOR UDR: \$475 TO \$575M



SHADOW PIPELINE

UDR WHOLLY-OWNED LAND STATS ⁽¹⁾

- **Parcels:** 5 total; 3 entitled
- **Locations:** Boston, Dallas, Los Angeles
- **Cost Basis:** \$78M
- **Potential Homes:** 600-900 homes
- **Potential Construction Cost:** \$400-\$500M

UDR/METLIFE JV LAND STATS AT 100%

- **Parcels:** 6 total; 3 entitled
- **Locations:** Seattle, Los Angeles, SF Bay Area, Dallas
- **Cost Basis:** \$160M; UDR share is \$48M
- **Potential Homes:** 2,800-3,200 homes
- **Potential Construction Cost:** \$850-\$950M; UDR share: \$400-\$500M

POTENTIAL SHADOW PIPELINE VALUE CREATION FOR UDR: \$425 TO \$475M

(1) Includes consolidated joint ventures of which UDR owns 95%.

(2) A portion of the Dallas land is wholly-owned and a portion is held in the UDR/MetLife Vitruvian Park® Joint Venture.

Note: Dollar amounts presented at UDR's ownership interest unless otherwise noted.

Source: Company documents.

UDR'S DEVELOPMENTS

Some of our recent developments are presented below

STABILIZED, NON-MATURE DEVELOPMENTS

Beach & Ocean I Huntington Beach, CA
Completed: 2014



Los Alisos I Mission Viejo, CA
Completed: 2014



Domain College Park I College Park, MD
Completed: 2014



COMPLETED, NON-STABILIZED DEVELOPMENTS

100 Pier 4 I Boston, MA
Completed: 2015



DelRay Tower I Alexandria, VA
Completed: 2015



UNDER CONSTRUCTION DEVELOPMENTS

3033 Wilshire I Los Angeles, CA
Estimated Completion: 2017



Pacific City I Huntington Beach, CA
Estimated Completion: 2018



399 Fremont I San Francisco, CA
Estimated Completion: 2016



WASHINGTON, DC ACQUISITION



Courts at Huntington Station



1200 East West

UDR RECENTLY CLOSED ON THE PURCHASE SIX COMMUNITIES VALUED AT APPROXIMATELY \$901 MILLION IN THE RECOVERING WASHINGTON, DC MARKET. THE TRANSACTION PROVIDES SEVERAL BENEFITS:

- Acquired four newly constructed or recently redeveloped apartment communities and two communities with potential redevelopment opportunities
- Utilization of UDR's best-in-class operating platform can generate operating efficiencies in the communities acquired, with additional upside for properties with redevelopment potential
- Estimated year-one cap rate on the transaction is approximately 5.2%
- Funded through a combination of \$565 million UDR OP units issued at \$35 per unit, the assumption of \$89 million of debt, \$221 million of Section 1031 exchanges and \$26 million in cash
- UDR OP units were issued in line with NAV with no associated issuance costs
- Transaction is consistent with UDR's Two Year Strategic plan, as it provides: increasing cash flow per share, equity issuance at or above NAV and improving balance sheet metrics

Community	Quality	Type	Location	Homes	Value (\$M)	Debt (\$M)	Equity (\$M)	Year Completed/Rehab
Eleven55 Ripley	A	High-Rise	Silver Spring	379	\$126	\$-	\$126	2014
1200 East West	A	High-Rise	Silver Spring	247	79	-	79	2010
Courts at Huntington Station	A	Podium	Alexandria	421	142	-	142	2011
Arbor Park of Alexandria	B	Garden	Alexandria	851	210	90	120	1969/2015
The Courts at Dulles	B	Garden	Herndon	411	100	-	100	2000
Newport Village	B	Garden	Alexandria	937	243	-	243	1968
Total				3,246	\$901	\$90	\$811	

JOINT VENTURES



UDR HAS TWO OPERATING JV RELATIONSHIPS THAT COMPRISE \$3.4 BILLION ^(1,2) OF APARTMENT COMMUNITIES. THESE RELATIONSHIPS:

- Provide a stable source of favorably priced, long-term capital
- Reduce effective cost of capital while enhancing returns via promotes and fee income
- 3Q 2015 Joint Venture ROIC and ROE were 5.9% and 7.6%, respectively.

UNCONSOLIDATED JV	SIZE (\$M) ^(1,2)	OWN. INTEREST	TYPE
MetLife	\$3,111	49%	Long-term partnership in high-quality, core assets
Operating & Stabilized, Non-Mature	\$2,523	50%	Long-term partnership in high-quality, core operating assets
Development	\$428	51%	399 Fremont - San Fran.; Residences at 2801 Kelvin - Orange County; 3033 Wilshire - Los Angeles; DMV - San Fran.
Land	\$160	30%	6 land sites in long-term development partnership
Kuwait Finance House	\$284	30%	Medium-term partnership focused on Washington, DC

(1) As of September 30th, 2015.

(2) Measured at gross book value at 100%.

Source: Company documents.



BALANCE SHEET

Maintain a strong and flexible Balance Sheet while seeking to further improve our metrics over time

BALANCE SHEET AND FUNDING SOURCES

By year-end 2016, we expect to achieve our target leverage profile...

METRIC	YE 2014A	YE 2015E	YE 2016E
Debt-to-assets	38.6%	36% to 38%	34% to 36%
Net debt-to-EBITDA	6.5x	5.8x to 6.2x	5.4x to 5.8x
Fixed Charge Coverage	3.6x	3.6x to 4.0x	3.8x to 4.2x

...as we also continue to improve our credit profile and lower our debt financing costs

INVESTMENT GRADE UNSECURED RATINGS

- **Moody's:** Upgraded to Baa1, stable outlook – 3Q 2014
- **S&P:** Upgraded to BBB+, stable outlook – 2Q 2015

In 2015 and 2016 we will continue to fund development and land acquisitions. Our capital needs are reasonably sized in both years

SOURCES (\$ IN MILLIONS) ⁽¹⁾	2015E	2016E
New Debt & Equity and Sales Proceeds	\$1,750 to \$1,850	\$500 to \$650
Construction Loan Proceeds	\$80 to \$100	\$25 to \$75
AFFO in Excess of Dividends and Revenue Enhancing Capex	\$100	\$90 to \$125
Total	\$1,900 to \$2,100	\$625 to \$825

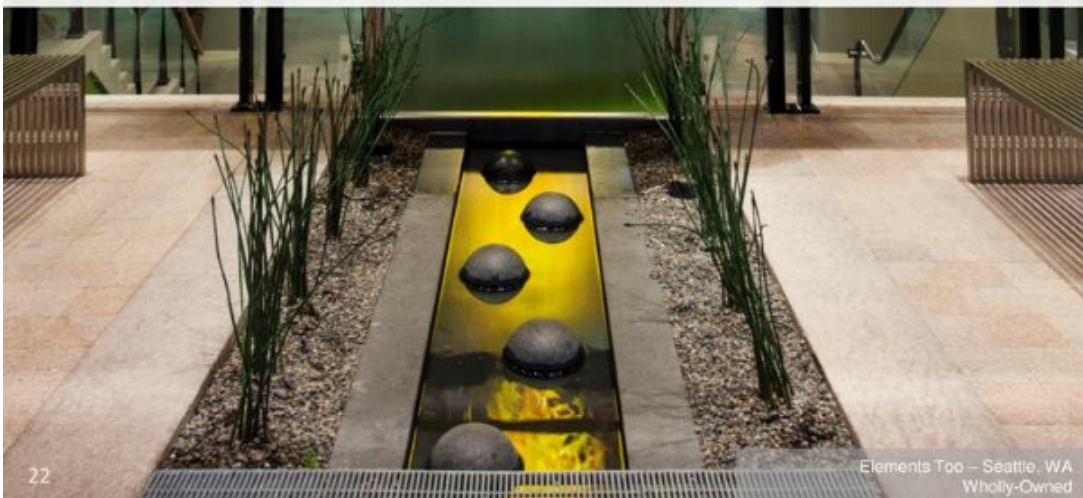
USES (\$ IN MILLIONS) ⁽¹⁾	2015E	2016E
Development and Redevelopment	\$300 to \$350	\$400 to \$450
Acquisitions	\$1,080 to \$1,110	\$0 to \$150
Debt Maturities	\$516	\$214
Total	\$1,900 to \$2,100	\$625 to \$825

(1) As of September 30th, 2015.
Source: Company documents.



CASH FLOW, DIVIDEND AND NAV GROWTH

Generate high-quality Cash flow growth to drive dividend and NAV per share growth

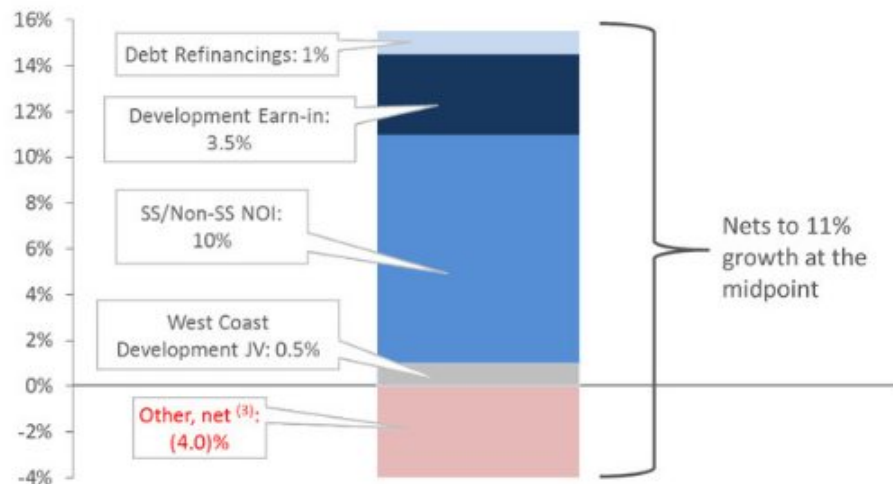


CASH FLOW, DIVIDEND & NAV GROWTH

After strong AFFO/sh growth in 2014, solid operating results and development earn-in (somewhat offset by reloading the development pipeline) are driving cash flow, dividend and NAV growth in 2015



Components of UDR's 2015E AFFO/sh growth at 11% growth midpoint



(1) Dividend/sh is expected to grow with AFFO/sh in 2015 and 2016.

(2) Flat cap rate expectation.

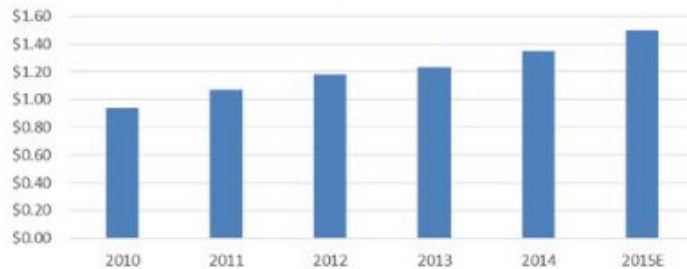
(3) Other, net includes impact from lower income tax benefit, loss of Texas JV FFO due to sale, G&A due to LTI outperformance, and other misc. items.

Source: Company documents and forecasts.

CASH FLOW, DIVIDEND & TSR GROWTH

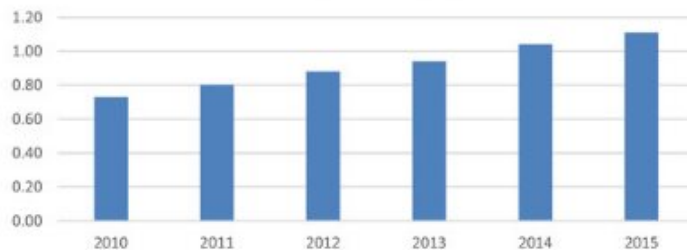
UDR's positive cash flow growth over the past 6 years has led to AFFO and Dividend Per Share growth in excess of 7% . This has helped drive strong total shareholder returns over the same time period, beating both the FTSE NAREIT Equity REITs Total Return and S&P 500 Indices.

AFFO per Share



- Since 2010, UDR has grown AFFO Per Share by **8.1%** annually.

Dividend Per Share



- This AFFO Growth has directly translated into Dividend Per Share growth of **7.2%** annually since 2010.
- UDR has consistently paid a dividend for over 42 years.
- Today, UDR's dividend is 1.34x covered.

Total Shareholder Return as of November 30, 2015



- Both AFFO growth and Dividend per Share growth has translated into Total Shareholder Return of over **176%** that has surpassed both the FTSE NAREIT Equity REITs Total Return and S&P 500 Indices.

2016 MARKET GROWTH EXPECTATIONS



Market	% of 3Q15 Total NOI	% of 3Q15 SS NOI	Market	% of 3Q15 Total NOI	% of 3Q15 SS NOI	Market	% of 3Q15 Total NOI	% of 3Q15 SS NOI
New York	13.1%	8.2%	Dallas	5.0%	4.7%	Monterey Peninsula	2.7%	3.5%
O.C.	12.8%	14.5%	Los Angeles	4.3%	5.3%	Other Southern CA	2.5%	2.0%
Metro Wash., D.C.	12.7%	13.3%	Baltimore	4.1%	4.8%	Austin	2.3%	2.3%
SF Bay Area	12.2%	13.7%	Orlando	3.3%	4.3%	Richmond	2.2%	2.8%
Seattle	6.8%	5.4%	Nashville	3.1%	4.0%	Portland	0.8%	1.1%
Boston	6.6%	4.5%	Tampa	3.1%	4.1%	TOTAL	97.6%	98.5%

Non-Core Markets: Monterey Peninsula.

(1) Revenue growth based on UDR's current 2016 market-level forecast.
 Source: Company documents.

DEFINITIONS AND RECONCILIATIONS

Acquired Communities: The Company defines Acquired Communities as those communities acquired by the Company, other than development and redevelopment activity, that did not achieve stabilization as of the most recent quarter.

Adjusted Funds From Operations ("AFFO"): The Company defines AFFO as FFO as Adjusted attributable to common stockholders and unitholders less recurring capital expenditures that are necessary to help preserve the value of and maintain functionality at our communities.

Management considers AFFO a useful supplemental performance metric for investors as it is more indicative of the Company's operational performance than FFO or FFO as Adjusted. AFFO is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of our operating performance. The Company believes that net income attributable to UDR, Inc. is the most directly comparable GAAP financial measure to AFFO. Management believes that AFFO is a widely recognized measure of the operations of REITs, and presenting AFFO will enable investors to assess our performance in comparison to other REITs. However, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not always be comparable to AFFO calculated by other REITs. AFFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of financial performance, or as an alternative to cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions. A reconciliation from net income attributable to UDR, Inc. to AFFO is provided on page 31 of this presentation.

Development Communities: The Company defines Development Communities as those communities recently developed or under development by the Company, that are currently majority owned by the Company and have not achieved stabilization as of the most recent quarter.

Discontinued Operations: Effective January 1, 2014, UDR prospectively adopted Accounting Standards Update ("ASU") No. 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, for all communities not previously sold or classified as held for sale. ASU 2014-08 incorporates into the definition of a discontinued operation a requirement that a disposition represent a strategic shift in an entity's operations, which resulted in UDR no longer classifying the sale of communities as a discontinued operation. Communities that meet the criteria to be classified as held for disposition subsequent to the adoption of ASU 2014-08 are presented as held for disposition in the Consolidated Balance Sheet for the current period, but do not meet the criteria to be classified as discontinued operations in accordance with ASU 2014-08.

Prior to the prospective adoption of ASU 2014-08, FASB ASC Subtopic 205.20, required, among other things, that the primary assets and liabilities and the results of operations of UDR's real properties that have been sold or are held for disposition, be classified as discontinued operations and segregated in UDR's Consolidated Statements of Operations and Consolidated Balance Sheets. Consequently, the primary assets and liabilities and the net operating results of those properties sold or classified as held for disposition prior to January 1, 2014 are accounted for as discontinued operations for all periods presented. This presentation does not have an impact on net income available to common stockholders, it only results in the reclassification of the operating results within the Consolidated Statements of Operations for the period ended September 30, 2014, and the reclassification of the assets and liabilities within the Consolidated Balance Sheet as of December 31, 2014.

During the twelve months ended December 31, 2014, UDR sold one commercial property that was classified as real estate held for disposition prior to the adoption of ASU 2014-08 and is therefore presented as a discontinued operation. The results of operations for these properties are classified on the Consolidated Statements of Operations on Attachment 1 of the Company's quarterly supplemental disclosure in the line item entitled "Income from discontinued operations, net of tax".

In thousands	3Q 2015	3Q 2014	YTD 2015	YTD 2014
Rental income	\$ -	\$ 21	\$ -	\$ 147
Rental expenses	-	11	-	225
Property management	-	1	-	4
Real estate depreciation	-	-	-	-
Other operating expenses	-	3	-	21
Non-property (income)/expense	-	-	-	-
Total expenses	-	15	-	250
Income before net impairment of real estate held for disposition and net gain on the sale of depreciable property	-	6	-	(103)
Net gain on the sale of depreciable property, net of tax	-	75	-	75
Income tax benefit/(expense)	-	(2)	-	38
Income/(loss) from discontinued operations, net of tax	\$ -	\$ 79	\$ -	\$ 10

Effective New Lease Rate Growth: The Company defines effective new lease rate growth as the increase in gross potential rent realized less all concessions for the new lease term (current effective rent) versus prior resident effective rent for the prior lease term on all new leases commenced during the current quarter.

Management considers effective new lease rate growth a useful metric for investors as it assesses market-level new demand trends.

Effective Renewal Lease Rate Growth: The Company defines effective renewal lease rate growth as the increase in gross potential rent realized less all concessions for the new lease term (current effective rent) versus prior effective rent for the prior lease term on all renewed leases commenced during the current quarter.

Management considers effective renewal lease rate growth a useful metric for investors as it assesses market-level, in-place demand trends.

Estimated Quarter of Completion: The Company defines estimated quarter of completion of a development or redevelopment project as the date on which construction is expected to be completed, but does not represent the date of stabilization.

Fixed Charge Coverage Ratio: The Company defines Fixed Charge Coverage Ratio as net income, excluding the impact of interest expense, real estate depreciation and amortization of wholly owned and other joint venture communities, other depreciation and amortization, noncontrolling interests, net gain on the sale of depreciable property, TRS income tax, divided by total interest plus preferred dividends.

Management considers fixed charge coverage a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation of the components that comprise fixed charge coverage is provided on page 33.

Funds From Operations as Adjusted attributable to common stockholders and unitholders: The Company defines FFO attributable to common stockholders and unitholders as Adjusted as FFO excluding the impact of acquisition-related costs and other non-comparable items including, but not limited to, prepayment costs/benefits associated with early debt retirement, gains on sales of marketable securities and TRS property, deferred tax valuation allowance increases and decreases, casualty-related expenses and recoveries, severance costs and legal costs.

Management believes that FFO as Adjusted is useful supplemental information regarding our operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. FFO as Adjusted is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of our operating performance. The Company believes that net income attributable to UDR, Inc. is the most directly comparable GAAP financial measure to FFO as Adjusted. However, other REITs may use different methodologies for calculating FFO as Adjusted or similar FFO measures and, accordingly, our FFO as Adjusted may not always be comparable to FFO as Adjusted or similar FFO measures calculated by other REITs. FFO as Adjusted should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of financial performance, or as an alternative to cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity. A reconciliation from net income attributable to UDR, Inc. to FFO as Adjusted is provided on page 31 of this presentation.

Net Asset Value: Net Asset Value ("NAV") is defined as marked-to-market value of assets less marked-to-market value of liabilities and preferred equity, divided by total outstanding diluted shares and operating units.

Management considers NAV a useful metric for investors as it provides context to portfolio value changes over time based on widely accepted market inputs.

Funds From Operations ("FFO") attributable to common stockholders and unitholders: The Company defines FFO as net income attributable to common stockholders and unitholders, excluding impairment write-downs of depreciable real estate or of investments in non-consolidated investees that are driven by measurable decreases in the fair value of depreciable real estate held by the investee, gains (or losses) from sales of depreciable property, plus real estate depreciation and amortization, and after adjustments for noncontrolling interests, unconsolidated partnerships and joint ventures. This definition conforms with the National Association of Real Estate Investment Trust's definition issued in April 2002. In the computation of diluted FFO, unvested restricted stock, stock options, and the shares of Series E Cumulative Convertible Preferred Stock are dilutive; therefore, they are included in the diluted share count.

DEFINITIONS AND RECONCILIATIONS

Activities of our taxable REIT subsidiary (TRS), include development and land entitlement. From time to time, we develop and subsequently sell a TRS property which results in a short-term use of funds that produces a profit that differs from the traditional long-term investment in real estate for REITs. We believe that the inclusion of these TRS gains in FFO is consistent with the standards established by NAREIT as the short-term investment is incidental to our main business. TRS gains on sales, net of taxes, are defined as net sales proceeds less a tax provision and the gross investment basis of the asset before accumulated depreciation.

Management considers FFO a useful metric for investors as the Company uses FFO in evaluating property acquisitions and its operating performance and believes that FFO should be considered along with, but not as an alternative to, net income and cash flow as a measure of the Company's activities in accordance with GAAP. FFO does not represent cash generated from operating activities in accordance with GAAP and is not necessarily indicative of funds available to fund our cash needs. A reconciliation from net income attributable to UDR, Inc. to FFO is provided on page 33 of this presentation.

Held For Disposition Communities: The Company defines Held For Disposition Communities as those communities that were held for sale as of the end of the most recent quarter.

Interest Coverage Ratio: The Company defines Interest Coverage Ratio as net income, excluding the impact of interest expense, real estate depreciation and amortization of wholly owned and joint venture communities, other depreciation and amortization, noncontrolling interests, net gain on the sale of depreciable property, TRS income tax, divided by total interest.

Management considers interest coverage ratio a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation of the components that comprise interest coverage ratio is provided on page 30 of this presentation.

Joint Venture Reconciliation at UDR's Weighted Average Pro-Rate Ownership Interest

In thousands

Income/(loss) from unconsolidated entities

Management fee

Interest expense

Depreciation

General and administrative

Other income/expense

Gain on sale

Total Joint Venture NOI at UDR's Pro-Rate Ownership Interest

	3Q 2015	YTD 2015
	\$ 2,691	\$ 61,277
	1,012	2,996
	8,039	23,664
	9,396	29,163
	377	910
	(3,625)	(5,476)
	-	(39,073)
	\$ 17,890	\$ 53,561

JV Return on Equity ("ROE"): The Company defines JV ROE as the pro rata share of property NOI plus property and asset management fee revenue less interest expense, divided by the average of beginning and ending equity capital for the quarter.

Management considers ROE a useful metric for investors as it provides a widely used measure of how well the Company is investing its capital on a leveraged basis.

JV Return on Invested Capital ("ROIC"): The Company defines JV ROIC as the pro rata share of property NOI plus property and asset management fee revenue, divided by the average of beginning and ending invested capital for the quarter.

Management considers ROIC a useful metric for investors as it provides a widely used measure of how well the Company is investing its capital on an unleveraged basis.

Net Operating Income ("NOI"): The Company defines NOI as rental income less direct property rental expenses. Rental income represents gross market rent less adjustments for concessions, vacancy loss and bad debt. Rental expenses include real estate taxes, insurance, personnel, utilities, repairs and maintenance, administrative and marketing. Excluded from NOI is property management expense which is calculated as 2.75% of property revenue to cover the regional supervision and accounting costs related to consolidated property operations, and land rent.

Management considers NOI a useful metric for investors as it is a more meaningful representation of a community's continuing operating performance than net income as it is prior to corporate-level expense allocations, general and administrative costs, capital structure and depreciation and amortization and is a widely used input, along with capitalization rates, in the determination of real estate valuations. A reconciliation from net income attributable to UDR, Inc. to NOI is provided below.

In thousands

Net income/(loss) attributable to UDR, Inc.

Property management

Other operating expenses

Real estate depreciation and amortization

Interest expense

Casualty-related (recoveries)/charges, net

General and administrative

Tax provision/(benefit), net (includes valuation adjustment)

Income/(loss) from unconsolidated entities

Interest and other income, net

Joint venture management and other fees

Other depreciation and amortization

(Income)/loss from discontinued operations, net of tax

(Gain)/loss on sale of real estate owned, net of tax

Net income/(loss) attributable to noncontrolling interests

Total consolidated NOI

	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014
	\$ 13,291	\$ 86,855	\$ 73,822	\$ 65,417	\$ 40,549
	5,988	5,851	5,694	5,668	5,598
	2,639	1,769	1,766	2,174	2,009
	90,568	90,344	88,777	91,406	89,339
	30,232	29,673	28,800	32,792	33,087
	541	843	996	41	-
	15,824	13,721	12,152	11,722	11,554
	(633)	(1,404)	(425)	(7,687)	(2,492)
	(2,691)	573	(59,159)	2,074	939
	(492)	(382)	(360)	44	(9,061)
	(3,653)	(3,098)	(12,706)	(3,445)	(3,165)
	1,457	1,700	1,623	2,117	1,385
	-	-	-	-	(79)
	-	(79,042)	-	(61,267)	(31,302)
	404	3,029	2,595	2,335	1,443
	\$ 153,565	\$ 150,432	\$ 143,575	\$ 143,991	\$ 139,804

Non-Mature: The Company defines Non-Mature Communities as those communities that have not met the criteria to be included in Same-Store Communities.

Non-Residential / Other: The Company defines Non-Residential / Other as non-apartment components of mixed-use properties, land held, properties being prepared for redevelopment and properties where a material change in home count has occurred.

Physical Occupancy: The Company defines physical occupancy as the number of occupied homes divided by the total homes available at a community.

DEFINITIONS AND RECONCILIATIONS

QTD Same-Store ("SS") Communities: The Company defines QTD SS Communities as those communities stabilized for five full consecutive quarters. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the quarter in the prior year, were not in process of any substantial redevelopment activities, and not held for disposition.

Recurring Capital Expenditures: The Company defines recurring capital expenditures as expenditures that are necessary to help preserve the value of and maintain functionality at its communities.

Redevelopment Communities: The Company generally defines Redevelopment Communities as those communities where substantial redevelopment is in progress that is expected to have a material impact on the community's operations, including occupancy levels and future rental rates.

Redevelopment Projected Weighted Average Return on Incremental Capital Invested: The projected weighted average return on incremental capital invested for redevelopment projects is NOI as set forth in the Stabilization Period for Redevelopment Yield definition, less Recurring Capital Expenditures, minus the project's annualized operating NOI prior to commencing the redevelopment, less Recurring Capital Expenditures, divided by total cost of the project.

Return on Equity ("ROE"): The Company defines ROE as a referenced quarter's NOI less interest expense, annualized, divided by the average of beginning and ending equity capital for the quarter.

Management considers ROE a useful metric for investors as it provides a widely used measure of how well the Company is investing its capital on a leveraged basis.

Return on Invested Capital ("ROIC"): The Company defines ROIC as a referenced quarter's NOI, annualized, divided by the average of beginning and ending invested capital for the quarter.

Revenue Enhancing Capital Expenditures: The Company defines revenue-enhancing capital expenditures as expenditures that result in increased income generation over time.

Management considers revenue enhancing capital expenditures a useful metric for investors as it quantifies the amount of capital expenditures that are expected to grow, not just maintain, revenues.

Sold Communities: The Company defines Sold Communities as those communities that previously met the criteria for discontinued operations and were disposed of prior to the end of the most recent quarter.

Stabilization for Same Store Classification: The Company generally defines stabilization as when a community's occupancy reaches 90% or above for at least three consecutive months.

Stabilized, Non-Mature Communities: The Company defines Stabilized, Non-Mature Communities as those communities that are stabilized but not yet in the Company's Same-Store portfolio.

Stabilization Period for Development Yield: The Company defines the stabilization period for development property yield as the forward twelve month NOI, excluding any remaining lease-up concessions outstanding, commencing one year following the delivery of the final home of the project.

Stabilization Period for Redevelopment Yield: The Company defines the stabilization period for a redevelopment property yield for purposes of computing the Projected Weighted Average Return on Incremental Capital Invested, as the forward twelve month NOI, excluding any remaining lease-up concessions outstanding, commencing one year following the delivery of the final home of a project.

Stabilized Yield on Developments: Expected stabilized yields on development are calculated as follows, projected stabilized NOI less management fees divided by budgeted construction cost on a project-specific basis. Projected stabilized NOI for development projects, calculated in accordance with the NOI reconciliation provided on Attachment 16(B), is set forth in the definition of Stabilization Period for Development Yield. Given the differing completion dates and years for which NOI is being projected for these communities as well as the complexities associated with estimating other expenses upon completion such as corporate overhead allocation, general and administrative costs and capital structure, a reconciliation to GAAP measures is not meaningful. Projected NOI for these projects is neither provided, nor is representative of Management's expectations for the Company's overall financial performance or cash flow growth and there can be no assurances that forecast NOI growth implied in the estimated construction yield of any project will be achieved.

Management considers estimated stabilized yield on development as a useful metric for investors as it helps provide context to the expected effects that development projects will have on the Company's future performance once stabilized.

Total Revenue per Occupied Home: The Company defines total revenue per occupied home as rental and other revenues, calculated in accordance with GAAP, divided by the product of occupancy and the number of apartment homes.

Management considers total revenue per occupied home a useful metric for investors as it serves as a proxy for portfolio quality, both geographic and physical.

TRS: The Company's taxable REIT subsidiary ("TRS") focuses on development, land entitlement and short-term held investments. TRS gains on sales, net of taxes, is defined as net sales proceeds less a tax provision and the gross investment basis of the asset before accumulated depreciation.

Value Creation: Value creation is defined as the difference between the Company's best estimate of the current or expected market value of a community and its original purchase price or cost basis. Underlying valuation estimates and model inputs are provided by the Company. Estimated value creation is not representative of the Company's expectations for its overall financial performance or cash flow growth and there can be no assurances that the value creation implied for any of the Company's communities will be achieved.

Management considers value creation a useful metric for investors as it quantifies how successful the Company's past investments have been and current investments are expected to be.

YTD Same-Store ("SS") Communities: The Company defines YTD SS Communities as those communities stabilized for two full consecutive calendar years. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the prior year, were not in process of any substantial redevelopment activities, and not held for disposition.

All guidance is based on current expectations of future economic conditions and the judgment of the Company's management team. The following reconciles from GAAP net income/(loss) per share for full year 2015 and fourth quarter of 2015 to forecasted FFO, FFO as Adjusted and AFFO per share and unit:

	Full Year 2015			4Q 2015	
	Low	High		Low	High
Forecasted earnings per diluted share	\$ 0.79	\$ 0.81	Forecasted earnings per diluted share	\$ 0.06	\$ 0.08
Conversion from GAAP share count	(0.08)	(0.08)	Conversion from GAAP share count	(0.02)	(0.02)
Net (gain)/loss on the sale of depreciable property, excluding TRS	(0.50)	(0.50)	Depreciation	0.36	0.36
Depreciation	1.45	1.45	Forecasted FFO per diluted share and unit	\$ 0.40	\$ 0.42
Noncontrolling Interests	(0.02)	(0.02)	Disposition-related FFO	-	-
Preferred Dividends	0.01	0.01	Long-term incentive plan transition costs	-	-
Forecasted FFO per diluted share and unit	\$ 1.65	\$ 1.67	Acquisition-related and other costs	-	-
Disposition-related FFO	(0.03)	(0.03)	Casualty-related (recoveries)/charges	0.01	0.01
Long-term incentive plan transition costs	0.01	0.01	Forecasted FFO as Adjusted per diluted share and unit	\$ 0.41	\$ 0.43
Acquisition-related and other costs	0.01	0.01	Recurring capital expenditures	(0.05)	(0.05)
Casualty-related (recoveries)/charges	0.01	0.01	Forecasted AFFO per diluted share and unit	\$ 0.36	\$ 0.38
Forecasted FFO as Adjusted per diluted share and unit	\$ 1.65	\$ 1.67			
Recurring capital expenditures	(0.16)	(0.16)			
Forecasted AFFO per diluted share and unit	\$ 1.49	\$ 1.51			

DEFINITIONS AND RECONCILIATIONS

Net Debt to EBITDA: The Company defines net debt to EBITDA as total debt net of cash and cash equivalents divided by EBITDA. EBITDA is defined as net income, excluding the impact of interest expense, real estate depreciation and amortization of wholly owned and other joint venture communities, other depreciation and amortization, noncontrolling interests, net gain on the sale of depreciable property, and IRS income tax.

Management considers net debt to EBITDA a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation between net income and EBITDA is provided below.

Net Debt-to-EBITDA (\$000s)	Quarter Ended September 30, 2015	
Net income/(loss) attributable to UDR, Inc.	\$	13,291
Adjustments (includes continuing and discontinued operations):		
Interest expense		30,232
Real estate depreciation and amortization		90,568
Real estate depreciation and amortization on unconsolidated joint ventures		9,396
Other depreciation and amortization		1,457
Noncontrolling interests		404
Income tax expense/(benefit)		(633)
EBITDA	\$	144,715
Long-term incentive plan transition costs		791
Acquisition-related costs/(fees), including joint ventures		430
Casualty-related (recoveries)/charges, including joint ventures, net		797
EBITDA - adjusted for non-recurring items	\$	146,713
Annualized EBITDA - adjusted for non-recurring items	\$	586,852
Interest expense	\$	30,232
Capitalized interest expense		3,572
Total interest	\$	33,804
Preferred dividends	\$	930
Total debt	\$	3,513,234
Cash		1,321
Net Debt	\$	3,511,913
Interest Coverage Ratio		4.28x
Fixed Charge Coverage Ratio		4.17x
Interest Coverage Ratio - adjusted for non-recurring items		4.34x
Fixed Charge Coverage Ratio - adjusted for non-recurring items		4.22x
Net Debt-to-EBITDA, adjusted for non-recurring items		6.8x

DEFINITIONS AND RECONCILIATIONS

In thousands, except per share amounts	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income/(loss) attributable to common stockholders	\$ 12,361	\$ 39,618	\$ 171,176	\$ 86,124
Real estate depreciation and amortization, including discontinued operations	90,568	89,309	269,689	266,748
Noncontrolling interests	404	1,443	6,028	3,173
Real estate depreciation and amortization on unconsolidated joint ventures	9,396	10,308	29,263	29,926
Net (gain)/loss on the sale of unconsolidated depreciable property ⁽²⁾	-	-	(59,073)	-
Net (gain)/loss on the sale of depreciable property, excluding TRS	-	(31,377)	(79,042)	(81,260)
Funds from operations ("FFO") attributable to common stockholders and unitholders, basic	\$ 112,729	\$ 109,421	\$ 330,041	\$ 304,711
Distributions to preferred stockholders - Series E (Convertible) ⁽³⁾	930	931	2,792	2,793
FFO attributable to common stockholders and unitholders, diluted	\$ 113,659	\$ 110,352	\$ 340,833	\$ 307,504
FFO per common share and unit, basic	\$ 0.42	\$ 0.42	\$ 1.27	\$ 1.17
FFO per common share and unit, diluted	\$ 0.42	\$ 0.41	\$ 1.25	\$ 1.16
Weighted average number of common shares and OP Units outstanding - basic	266,175	260,844	267,057	259,975
Weighted average number of common shares, OP Units, and common stock equivalents outstanding - diluted	273,297	265,957	272,170	264,985
Impact of adjustments to FFO:				
Acquisition-related costs/(losses), including joint ventures ⁽⁴⁾	\$ 410	\$ 76	\$ 2,153	\$ 178
Cost/(benefit) associated with debt extinguishment and other	-	-	-	192
Texas Joint Venture promote and disposition fee income ⁽²⁾	-	-	(9,633)	-
Long term incentive plan transition costs	791	-	2,653	-
(Gain)/loss on sale of land	-	-	-	(1,120)
Net gain on prepayment of note receivable	-	(8,411)	-	(8,411)
Casualty-related (recoveries)/charges, including joint ventures, net ⁽⁵⁾	797	-	2,636	500
	\$ 1,998	\$ (8,335)	\$ (2,191)	\$ (8,661)
FFO as Adjusted attributable to common stockholders and unitholders, diluted	\$ 115,657	\$ 102,017	\$ 338,642	\$ 298,843
FFO as Adjusted per common share and unit, diluted	\$ 0.42	\$ 0.38	\$ 1.24	\$ 1.13
Recurring capital expenditures	(13,694)	(12,280)	(31,048)	(29,977)
AFFO attributable to common stockholders and unitholders	\$ 101,963	\$ 89,737	\$ 307,594	\$ 268,866
AFFO per common share and unit, diluted	\$ 0.37	\$ 0.34	\$ 1.13	\$ 1.01

(1) See pages 27-31 for definitions and other terms.

(2) The Company recorded promote and disposition fee income of approximately \$9.6 million and a gain of approximately \$59.1 million in connection with the sale of eight communities held by the Texas Joint Venture in 1Q15.

(3) Series E preferred shares are dilutive for purposes of calculating FFO per share. Consequently, distributions to Series E preferred shareholders are added to FFO and the weighted average number of shares are included in the denominator when calculating FFO per common share and unit, diluted.

(4) Nine months ended September 30, 2015 acquisition-related costs include \$1.5 million related to UDR's share of the West Coast Development joint venture's transaction expenses, which are recorded as income/(loss) from unconsolidated entities in Attachment 1 of our third quarter 2015 supplement.

(5) 3Q15 Casualty-related charges include \$256 thousand related to UDR's share of the 717 Olympic casualty, which is included in income/(loss) from unconsolidated entities in Attachment 1 of our third quarter 2015 supplement.

FORWARD LOOKING STATEMENTS

Forward Looking Statements

Certain statements made in this presentation may constitute “forward-looking statements.” Words such as “expects,” “intends,” “believes,” “anticipates,” “plans,” “likely,” “will,” “seeks,” “estimates” and variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements, by their nature, involve estimates, projections, goals, forecasts and assumptions and are subject to risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in a forward-looking statement, due to a number of factors, which include, but are not limited to, unfavorable changes in the apartment market, changing economic conditions, the impact of inflation/deflation on rental rates and property operating expenses, expectations concerning availability of capital and the stabilization of the capital markets, the impact of competition and competitive pricing, acquisitions, developments and redevelopments not achieving anticipated results, delays in completing developments, redevelopments and lease-ups on schedule, expectations on job growth, home affordability and demand/supply ratio for multifamily housing, expectations concerning development and redevelopment activities, expectations on occupancy levels, expectations concerning the joint ventures with third parties, expectations that automation will help grow net operating income, expectations on annualized net operating income and other risk factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time, including the Company's Annual Report on Form 10-K and the Company's Quarterly Reports on Form 10-Q. Actual results may differ materially from those described in the forward-looking statements. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this presentation, and the Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required under the U.S. securities laws.

This presentation and these forward-looking statements include UDR's analysis and conclusions and reflect UDR's judgment as of the date of these materials. UDR assumes no obligation to revise or update to reflect future events or circumstances.

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2015 GUIDANCE ⁽¹⁾



EARNINGS PER SHARE GUIDANCE	4Q 2015E	FULL-YEAR 2015E
FFO per common share	\$0.40 to \$0.42	\$1.65 to \$1.67
FFO as Adjusted per common share	\$0.41 to \$0.43	\$1.65 to \$1.67
Adjusted Funds from Operations ("AFFO")	\$0.36 to \$0.38	\$1.49 to \$1.51
Annualized Dividend per common share		\$1.11

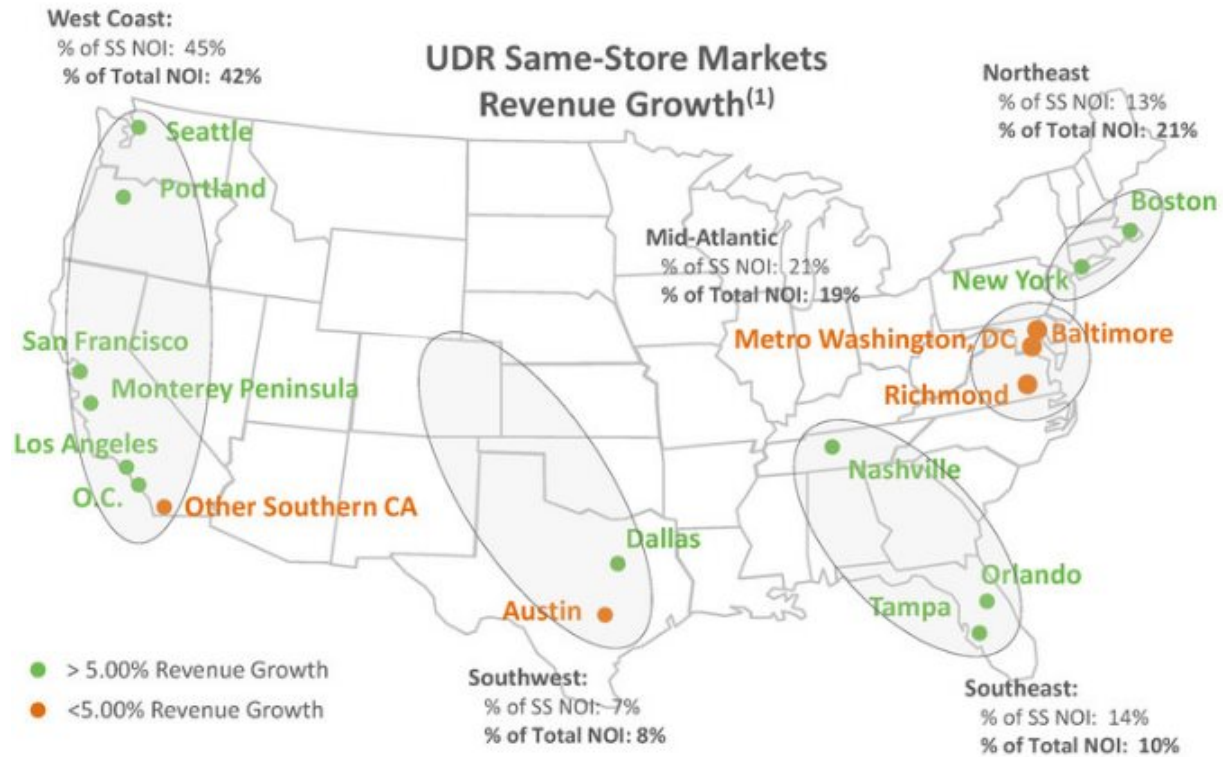
SAME-STORE GUIDANCE		FULL-YEAR 2015E
Revenue growth		5.25% to 5.50%
Expense growth		2.75% to 3.00%
NOI growth		6.25% to 6.75%
Physical occupancy		96.5%

SOURCES OF FUNDS (\$M)		FULL-YEAR 2015E
Sales Proceeds and Debt and Equity Issuances		\$1,750 to \$1,850
Construction Loan Proceeds		\$80 to \$100
AFFO in Excess of Dividends and Revenue Enhancing Capex		\$100

USES OF FUNDS (\$M)		FULL-YEAR 2015E
Debt maturities		\$(516)
Development and Redevelopment		\$(300) to \$(350)
Acquisitions		\$(1,080) to \$(1,110)

(1) As of September 30th, 2015.
Source: Company documents.

2016 MARKET GROWTH EXPECTATIONS



Market	% of 3Q15 Total NOI	% of 3Q15 SS NOI	Market	% of 3Q15 Total NOI	% of 3Q15 SS NOI	Market	% of 3Q15 Total NOI	% of 3Q15 SS NOI
New York	13.1%	8.2%	Dallas	5.0%	4.7%	Monterey Peninsula	2.7%	3.5%
O.C.	12.8%	14.5%	Los Angeles	4.3%	5.3%	Other Southern CA	2.5%	2.0%
Metro Wash., D.C.	12.7%	13.3%	Baltimore	4.1%	4.8%	Austin	2.3%	2.3%
SF Bay Area	12.2%	13.7%	Orlando	3.3%	4.3%	Richmond	2.2%	2.8%
Seattle	6.8%	5.4%	Nashville	3.1%	4.0%	Portland	0.8%	1.1%
Boston	6.6%	4.5%	Tampa	3.1%	4.1%	TOTAL	97.6%	98.5%

Non-Core Markets: Monterey Peninsula.