UNITED DOMINION REALTY TRUST INC
Form 424B7
February 16, 2007

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Filed pursuant to Rule 424(b)(7)
Registration No. 333-131278

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value $.01 per share(1)	469,344 shares(2)	$ 33.34(3)	$ 15,647,929(3)	$ 1,675(4)

(1) The common stock registered hereunder also includes the attached rights to purchase Series C Junior Participating Redeemable Preferred Stock, no par value.

(2) In the event of a stock split, stock dividend or similar transaction involving the Registrant s common stock, in order to prevent dilution the number of shares registered shall automatically be increased to cover additional shares in accordance with Rule 416 under the Securities Act of 1933.

(3)

Estimated solely for the purpose of computing the amount of the registration fee in accordance with Rule 457(c) under the Securities Act of 1933 based on the average of the high and low sales price per share of the registrant s common stock on February 13, 2007 as reported on the New York Stock Exchange.

(4) In accordance with Rules 456(b) and 457(r), the Registrant initially deferred payment of all of the registration fee for Registration Statement No. 333-131278 filed by United Dominion Realty Trust, Inc. on January 25, 2006, except for $111,860 that had already been paid with respect to $882,877,580 aggregate initial offering price of securities that were previously registered pursuant to Registration Statement No. 333-115696,

filed by United Dominion Realty Trust, Inc. on May 20, 2004, and were not sold thereunder. In accordance with Rule 457(p) under the Securities Act of 1933, $1,675 of the $111,860 unused amount of the registration fee paid with respect to Registration Statement No. 333-115696 is applied to pay the registration fee payable under this prospectus supplement, calculated in accordance with Rule 457(r), with respect to Registration Statement No. 333-131278. The Registrant previously applied $13,375 of the $111,860 unused registration fee to pay the registration fee in connection with the filing of the Registrant s pricing supplement dated June 2, 2006, filed with the SEC on June 6, 2006, and $26,750 of the unused registration fee to

pay the registration fee in connection with the filing of the Registrant s prospectus supplement dated June 14, 2006 and filed with the SEC on June 14, 2006, resulting in an unused registration fee in the amount of $71,735 prior to the filing of this prospectus supplement.

Prospectus Supplement

(To Prospectus dated January 25, 2006)

United Dominion Realty Trust, Inc.

469,344 Shares of Common Stock

The selling stockholder named on page S-17 of this prospectus supplement is offering up to 469,344 shares of our common stock. We will not receive any proceeds from the sale of shares offered by the selling stockholder.

Our common stock is listed on the New York Stock Exchange under the symbol UDR. On February 15, 2007, the last reported sales price for our common stock was $33.84 per share.

To read about certain factors you should consider before investing in our common stock, see Risk Factors beginning on page S-2 of this prospectus supplement and on page 3 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

February 16, 2007.

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You should only rely on the information contained or incorporated by reference in this prospectus supplement and accompanying prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make an offer to sell these securities in any jurisdiction where the offer and sale is not permitted. You should assume that the information appearing in this prospectus supplement and accompanying prospectus, as well as information we previously filed with the Securities and Exchange Commission and incorporated by reference, is accurate as of the date on the front cover of this prospectus supplement and accompanying prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

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RISK FACTORS

Investing in our common stock involves risks. Before purchasing our common stock, you should carefully consider the risk factors below and information set forth under the heading Risk Factors in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, as the same may be updated from time to time by our filings under the Exchange Act, as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus.

Unfavorable changes in apartment market and economic conditions could adversely affect occupancy levels and rental rates.

Market and economic conditions in the metropolitan areas in which we operate may significantly affect our occupancy levels and rental rates and, therefore, our profitability. Factors that may adversely affect these conditions include the following:

a reduction in jobs and other local economic downturns,

declines in mortgage interest rates, making alternative housing more affordable,

government or builder incentives which enable first time homebuyers to put little or no money down, making alternative housing decisions easier to make,

oversupply of, or reduced demand for, apartment homes,

declines in household formation, and

rent control or stabilization laws, or other laws regulating rental housing, which could prevent us from raising rents to offset increases in operating costs.

The strength of the United States economy has become increasingly susceptible to global events and threats of terrorism. At the same time, productivity enhancements and the increased exportation of labor have resulted in limited job growth despite an improving economy. Continued weakness in job creation, or any worsening of current economic conditions, generally and in our principal market areas, could have a material adverse effect on our occupancy levels, our rental rates and our ability to strategically acquire and dispose of apartment communities. This may impair our ability to satisfy our financial obligations and pay distributions to our stockholders.

New acquisitions, developments and condominium projects may not achieve anticipated results.

We intend to continue to selectively acquire apartment communities that meet our investment criteria and to develop apartment communities for rental operations, to convert properties into condominiums and to develop condominium projects. Our acquisition, development and condominium activities and their success are subject to the following risks:

an acquired apartment community may fail to perform as we expected in analyzing our investment, or a significant exposure related to the acquired property may go undetected during our due diligence procedures,

when we acquire an apartment community, we often invest additional amounts in it with the intention of increasing profitability. These additional investments may not produce the anticipated improvements in profitability,

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new developments may not achieve pro forma rents or occupancy levels, or problems with construction or local building codes may delay initial occupancy dates for all or a portion of a development community, and

an over supply of condominiums in a given market may cause a decrease in the prices at which we expect to sell condominium properties.

Possible difficulty of selling apartment communities could limit operational and financial flexibility.

We periodically dispose of apartment communities that no longer meet our strategic objectives, but market conditions could change and purchasers may not be willing to pay prices acceptable to us. A weak market may limit our ability to change our portfolio promptly in response to changing economic conditions. Furthermore, a significant portion of the proceeds from our overall property sales may be held by intermediaries in order for some sales to qualify as like-kind exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended, or the Code, so that any related capital gain can be deferred for federal income tax purposes. As a result, we may not have immediate access to all of the cash flow generated from our property sales. In addition, federal tax laws limit our ability to profit on the sale of communities that we have owned for fewer than four years, and this limitation may prevent us from selling communities when market conditions are favorable.

Increased competition could limit our ability to lease apartment homes or increase or maintain rents.

Our apartment communities compete with numerous housing alternatives in attracting residents, including other apartment communities and single-family rental homes, as well as owner occupied single- and multi-family homes. Competitive housing in a particular area could adversely affect our ability to lease apartment homes and increase or maintain rents.

Insufficient cash flow could affect our debt financing and create refinancing risk.

We are subject to the risks normally associated with debt financing, including the risk that our operating income and cash flow will be insufficient to make required payments of principal and interest, or could restrict our borrowing capacity under our line of credit due to debt covenant restraints. Sufficient cash flow may not be available to make all required principal payments and still satisfy our distribution requirements to maintain our status as a REIT for federal income tax purposes, and the full limits of our line of credit may not be available to us if our operating performance falls outside the constraints of our debt covenants. Additionally, we are likely to need to refinance substantially all of our outstanding debt as it matures. We may not be able to refinance existing debt, or the terms of any refinancing may not be as favorable as the terms of the existing debt, which could create pressures to sell assets or to issue additional equity when we would otherwise not choose to do so.

Failure to generate sufficient revenue could impair debt service payments and distributions to stockholders.

If our apartment communities do not generate sufficient net rental income to meet rental expenses, our ability to make required payments of interest and principal on our debt securities and to pay distributions to our stockholders will be adversely affected. The following factors, among others, may affect the net rental income generated by our apartment communities:

the national and local economies,

local real estate market conditions, such as an oversupply of apartment homes,

tenants perceptions of the safety, convenience, and attractiveness of our communities and the neighborhoods where they are located,

our ability to provide adequate management, maintenance and insurance, and

rental expenses, including real estate taxes and utilities.

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Expenses associated with our investment in a community, such as debt service, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in rental income from that community. If a community is mortgaged to secure payment of debt and we are unable to make the mortgage payments, we could sustain a loss as a result of foreclosure on the community or the exercise of other remedies by the mortgage holder.

Debt level may be increased.

Our current debt policy does not contain any limitations on the level of debt that we may incur, although our ability to incur debt is limited by covenants in our bank and other credit agreements. We manage our debt to be in compliance with these debt covenants, but subject to compliance with these covenants, we may increase the amount of our debt at any time without a concurrent improvement in our ability to service the additional debt.

Financing may not be available and could be dilutive.

Our ability to execute our business strategy depends on our access to an appropriate blend of debt financing, including unsecured lines of credit and other forms of secured and unsecured debt, and equity financing, including common and preferred equity. Debt or equity financing may not be available in sufficient amounts, or on favorable terms or at all. If we issue additional equity securities to finance developments and acquisitions instead of incurring debt, the interests of our existing stockholders could be diluted.

Development and construction risks could impact our profitability.

We intend to continue to develop and construct apartment communities. Development activities may be conducted through wholly owned affiliated companies or through joint ventures with unaffiliated parties. Our development and construction activities may be exposed to the following risks:

- we may be unable to obtain, or face delays in obtaining, necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations, which could result in increased development costs and could require us to abandon our activities entirely with respect to a project for which we are unable to obtain permits or authorizations,

- if we are unable to find joint venture partners to help fund the development of a community or otherwise obtain acceptable financing for the developments, our development capacity may be limited,

- we may abandon development opportunities that we have already begun to explore, and we may fail to recover expenses already incurred in connection with exploring such opportunities,

- we may be unable to complete construction and lease-up of a community on schedule, or incur development or construction costs that exceed our original estimates, and we may be unable to charge rents that would compensate for any increase in such costs,

- occupancy rates and rents at a newly developed community may fluctuate depending on a number of factors, including market and economic conditions, preventing us from meeting our profitability goals for that community, and

- when we sell to third parties homes or properties that we developed or renovated, we may be subject to warranty or construction defect claims that are uninsured or exceed the limits of our insurance.

Construction costs have been increasing in our existing markets, and the costs of upgrading acquired communities have, in some cases, exceeded our original estimates. We may experience similar cost increases in the future. Our inability to charge rents that will be sufficient to offset the effects of any increases in these costs may impair our profitability.

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Some potential losses are not covered by insurance.

We have a comprehensive insurance program covering our property and operating activities. We believe the policy specifications and insured limits of these policies are adequate and appropriate. There are, however, certain types of extraordinary losses for which we may not have insurance. Accordingly, we may sustain uninsured losses due to insurance deductibles, self-insured retention, uninsured claims or casualties, or losses in excess of applicable coverage.

We may not be able to renew insurance coverage in an adequate amount or at reasonable prices. In addition, insurance companies may no longer offer coverage against certain types of losses, such as losses due to terrorist acts and mold, or, if offered, these types of insurance may be prohibitively expensive. If an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue from the property. In such an event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property. Material losses in excess of insurance proceeds may occur in the future. If one or more of our significant properties were to experience a catastrophic loss, it could seriously disrupt our operations, delay revenue and result in large expenses to repair or rebuild the property. Such events could adversely affect our cash flow and ability to make distributions to stockholders.

Failure to succeed in new markets may limit our growth.

We may from time to time make acquisitions outside of our existing market areas if appropriate opportunities arise. We may be exposed to a variety of risks if we choose to enter new markets, and we may not be able to operate successfully in new markets. These risks include, among others:

inability to accurately evaluate local apartment market conditions and local economies,

inability to obtain land for development or to identify appropriate acquisition opportunities,

inability to hire and retain key personnel, and

lack of familiarity with local governmental and permitting procedures.

Changing interest rates could increase interest costs and adversely affect our cash flow and the market price of our securities.

We currently have, and expect to incur in the future, interest-bearing debt at rates that vary with market interest rates. As of September 30, 2006, we had approximately $717.2 million of variable rate indebtedness outstanding, which constitutes approximately 21.5% of our total outstanding indebtedness as of such date. An increase in interest rates would increase our interest expenses to the extent our variable rate debt is not hedged effectively, and it would increase the costs of refinancing existing indebtedness and of issuing new debt. Accordingly, higher interest rates could adversely affect cash flow and our ability to service our debt and to make distributions to security holders. In addition, an increase in market interest rates may lead our security holders to demand a higher annual yield, which could adversely affect the market price of our common and preferred stock and debt securities.

Risk of inflation/deflation.

Substantial inflationary or deflationary pressures could have a negative effect on rental rates and property operating expenses.

Limited investment opportunities could adversely affect our growth.

We expect that other real estate investors will compete with us to acquire existing properties and to develop new properties. These competitors include insurance companies, pension and investment funds, developer partnerships, investment companies and other apartment REITs. This competition could increase prices for

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properties of the type that we would likely pursue, and our competitors may have greater resources than we do. As a result, we may not be able to make attractive investments on favorable terms, which could adversely affect our growth.

Failure to integrate acquired communities and new personnel could create inefficiencies.

To grow successfully, we must be able to apply our experience in managing our existing portfolio of apartment communities to a larger number of properties. In addition, we must be able to integrate new management and operations personnel as our organization grows in size and complexity. Failures in either area will result in inefficiencies that could adversely affect our expected return on our investments and our overall profitability.

Interest rate hedging contracts may be ineffective and may result in material charges.

From time to time when we anticipate issuing debt securities, we may seek to limit our exposure to fluctuations in interest rates during the period prior to the pricing of the securities by entering into interest rate hedging contracts. We may do this to increase the predictability of our financing costs. Also, from time to time we may rely on interest rate hedging contracts to limit our exposure under variable rate debt to unfavorable changes in market interest rates. If the terms of new debt securities are not within the parameters of, or market interest rates fall below that which we incur under a particular interest rate hedging contract, the contract is ineffective. Furthermore, the settlement of interest rate hedging contracts has involved and may in the future involve material charges.

Potential liability for environmental contamination could result in substantial costs.

Under various federal, state and local environmental laws, as a current or former owner or operator of real estate, we could be required to investigate and remediate the effects of contamination of currently or formerly owned real estate by hazardous or toxic substances, often regardless of our knowledge of or responsibility for the contamination and solely by virtue of our current or former ownership or operation of the real estate. In addition, we could be held liable to a governmental authority or to third parties for property damage and for investigation and clean-up costs incurred in connection with the contamination. These costs could be substantial, and in many cases environmental laws create liens in favor of governmental authorities to secure their payment. The presence of such substances or a failure to properly remediate any resulting contamination could materially and adversely affect our ability to borrow against, sell or rent an affected property.

We would incur adverse tax consequences if we fail to qualify as a REIT.

We have elected to be taxed as a REIT under the Code. Our qualification as a REIT requires us to satisfy numerous requirements, some on an annual and quarterly basis, established under highly technical and complex Code provisions for which there are only limited judicial or administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. We intend that our current organization and method of operation enable us to continue to qualify as a REIT, but we may not so qualify or we may not be able to remain so qualified in the future. In addition, U.S. federal income tax laws governing REITs and other corporations and the administrative interpretations of those laws may be amended at any time, potentially with retroactive effect. Future legislation, new regulations, administrative interpretations or court decisions could adversely affect our ability to qualify as a REIT or adversely affect our stockholders.

If we fail to qualify as a REIT in any taxable year, and applicable relief provisions under the Code were not available, we would be subject to U.S. federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates, and would not be allowed to deduct dividends paid to our stockholders in computing our taxable income. Also, unless the Internal Revenue Service (the IRS) granted us relief under certain statutory provisions, we would be disqualified from treatment as a REIT for the four taxable years following the year in which we first failed to qualify. The additional tax liability from the failure to qualify as a REIT would reduce or eliminate the amount of cash available for investment or distribution to our stockholders. This would likely have a significant adverse effect on the value of our securities and our ability to raise additional capital. In addition, we would no longer be required to make distributions to our stockholders. Even if we continue to qualify as a REIT, we will continue to be subject to certain federal, state and local taxes on our income and property.

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We may conduct a portion of our business through taxable REIT subsidiaries, which are subject to certain tax risks.

We have established several taxable REIT subsidiaries. Despite our qualification as a REIT, our taxable REIT subsidiaries must pay income tax on their taxable income. In addition, we must comply with various tests to continue to qualify as a REIT for U.S. federal income tax purposes, and our income from and investments in our taxable REIT subsidiaries generally do not constitute permissible income and investments for these tests. While we will attempt to ensure that our dealings with our taxable REIT subsidiaries will not adversely affect our REIT qualification, we cannot provide assurance that we will successfully achieve that result. Furthermore, we may be subject to a 100% penalty tax, we may jeopardize our ability to retain future gains on real property sales, or our taxable REIT subsidiaries may be denied deductions, to the extent our dealings with our taxable REIT subsidiaries are not deemed to be arm s length in nature or are otherwise not respected.

Certain property transfers may generate prohibited transaction income, resulting in a penalty tax on gain attributable to the transaction.

From time to time, we may transfer or otherwise dispose of some of our properties. Under the Code, any gain resulting from transfers of properties that we hold as inventory or primarily for sale to customers in the ordinary course of business would be treated as income from a prohibited transaction subject to a 100% penalty tax. Since we acquire properties for investment purposes, we do not believe that our occasional transfers or disposals of property are prohibited transactions. However, whether property is held for investment purposes is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. The IRS may contend that certain transfers or disposals of properties by us are prohibited transactions. If the IRS were to argue successfully that a transfer or disposition of property constituted a prohibited transaction, then we would be required to pay a 100% penalty tax on any gain allocable to us from the prohibited transaction and we may jeopardize our ability to retain future gains on real property sales. In addition, income from a prohibited transaction might adversely affect our ability to satisfy the income tests for qualification as a REIT for U.S. federal income tax purposes.

Changes in market conditions, and volatility of stock prices could adversely affect the market price of our common stock.

The stock markets, including the New York Stock Exchange, on which we list our common shares, have experienced significant price and volume fluctuations. As a result, the market price of our common stock could be similarly volatile, and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects.

Property ownership through joint ventures may limit our ability to act exclusively in our interest.

We have in the past and may in the future develop and acquire properties in joint ventures with other persons or entities when we believe circumstances warrant the use of such structures. If we use such a structure, we could become engaged in a dispute with one or more of our joint venture partners that might affect our ability to operate a jointly-owned property. Moreover, joint venture partners may have business, economic or other objectives that are inconsistent with our objectives, including objectives that relate to the appropriate timing and terms of any sale or refinancing of a property. In some instances, joint venture partners may have competing interests in our markets that could create conflicts of interest.

Real estate tax and other laws.

Generally we do not directly pass through costs resulting from compliance with or changes in real estate tax laws to residential property tenants. We also do not generally pass through increases in income, service or other taxes, to tenants under leases. These costs may adversely affect funds from operations and the ability to make distributions to stockholders. Similarly, compliance with or changes in (i) laws increasing the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions or (ii) rent control or rent stabilization laws or other laws regulating housing, such as the Americans with Disabilities Act of

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1990 and the Fair Housing Amendments Act of 1988, may result in significant unanticipated expenditures, which would adversely affect funds from operations and the ability to make distributions to stockholders.

Any weaknesses identified in our internal control over financial reporting could have an adverse effect on our stock price.

Section 404 of the Sarbanes-Oxley Act of 2002 requires us to evaluate and report on our internal report over financial reporting. If we identify one or more material weaknesses in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which in turn could have an adverse effect on our stock price.

Maryland law may limit the ability of a third party to acquire control of us, which may not be in our stockholders best interests.

Maryland business statutes may limit the ability of a third party to acquire control of us. As a Maryland corporation, we are subject to various Maryland laws which may have the effect of discouraging offers to acquire our company and of increasing the difficulty of consummating any such offers, even if our acquisition would be in our stockholders best interests. The Maryland General Corporation Law restricts mergers and other business combination transactions between us and any person who acquires beneficial ownership of shares of our stock representing 10% or more of the voting power without our board of directors prior approval. Any such business combination transaction could not be completed until five years after the person acquired such voting power, and generally only with the approval of stockholders representing 80% of all votes entitled to be cast and 66-2/3% of the votes entitled to be cast, excluding the interested stockholder, or upon payment of a fair price. Maryland law also provides generally that a person who acquires shares of our equity stock that represents 10% (and certain higher levels) of the voting power in electing directors will have no voting rights unless approved by a vote of two-thirds of the shares eligible to vote.

Limitations on share ownership and limitations on the ability of our stockholders to effect a change in control of our company may prevent takeovers that are beneficial to our stockholders.

One of the requirements for maintenance of our qualification as a REIT for U.S. federal income tax purposes is that no more than 50% in value of our outstanding capital stock may be owned by five or fewer individuals, including entities specified in the Code, during the last half of any taxable year. Our charter contains ownership and transfer restrictions relating to our stock primarily to assist us in complying with this and other REIT ownership requirements; however, the restrictions may have the effect of preventing a change of control, which does not threaten REIT status. These restrictions include a provision that generally limits ownership by any person of more than 9.9% of the value of our outstanding equity stock, unless our board of directors exempts the person from such ownership limitation, provided that any such exemption shall not allow the person to exceed 13% of the value of our outstanding equity stock. These provisions may have the effect of delaying, deferring or preventing someone from taking control of us, even though a change of control might involve a premium price for our stockholders or might otherwise be in our stockholders best interests.

Under the terms of our stockholder rights plan, our board of directors can, in effect, prevent a person or group from acquiring more than 15% of the outstanding shares of our common stock. Unless our board of directors approves the person s purchase, after that person acquires more than 15% of our outstanding common stock, all other stockholders will have the right to purchase securities from us at a price that is less than their then fair market value. Purchases by other stockholders would substantially reduce the value and influence of the shares of our common stock owned by the acquiring person. Our board of directors, however, can prevent the stockholder rights plan from operating in this manner. This gives our board of directors significant discretion to approve or disapprove a person s efforts to acquire a large interest in us.

FORWARD-LOOKING STATEMENTS

This document, including the documents incorporated by reference in this document, contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act.

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Forward-looking statements, by their nature, involve estimates, projections, goals, forecasts, assumptions, risks and uncertainties, including those risks described under the heading Risk Factors in this prospectus supplement, or in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, that could cause actual results or outcomes to differ materially from those expressed in a forward-looking statement. Such forward-looking statements include, without limitation, statements concerning property acquisitions and dispositions, development activity and capital expenditures, capital raising activities, rent growth, occupancy and rental expense growth. Examples of forward-looking statements also include statements regarding our expectations, beliefs, plans, goals, objectives and future financial or other performance. Words such as expects, anticipates, intends, plans, believes, seeks, estimates or the negative thereof and variations of such words and similar expressions are intended to identify such forward-looking statements.

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

- unfavorable changes in apartment market and economic conditions that could adversely affect occupancy levels and rental rates,
- the failure of acquisitions to achieve anticipated results,
- possible difficulty in selling apartment communities,
- the timing and closing of planned dispositions under agreement,
- competitive factors that may limit our ability to lease apartment homes or increase or maintain rents,
- insufficient cash flow that could affect our debt financing and create refinancing risk,
- failure to generate sufficient revenue, which could impair our debt service payments and reduce distributions to stockholders,
- development and construction risks that may impact our profitability,
- potential damage from natural disasters, including hurricanes and other weather-related events, which could result in substantial costs to us,
- risks from extraordinary losses for which we may not have insurance or adequate reserves,
- uninsured losses due to insurance deductibles, self-insurance retention, uninsured claims or casualties, or losses in excess of applicable coverage,
- delays in completing developments and lease-ups on schedule,
- our failure to succeed in new markets,
- changing interest rates, which could increase interest costs and affect the market price of our securities,
- potential liability for environmental contamination, which could result in substantial costs to us,
- the imposition of federal taxes if we fail to qualify as a REIT under the Code in any taxable year,

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our internal control over financial reporting may not be considered effective which could result in a loss of investor confidence in our financial reports, and in turn have an adverse effect on our stock price, and

changes in real estate laws, tax laws and other laws affecting our business.

These and other risks and uncertainties are detailed from time to time in our filings with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Although we believe that the assumptions underlying the forward-looking statements contained or incorporated by reference herein are reasonable, any of the assumptions could be inaccurate, and therefore such statements included or incorporated by reference in this prospectus supplement and accompanying prospectus may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included or incorporated by reference herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved. Any forward-looking statement speaks only as of the date on which it is made. Except to fulfill our obligations under the United States securities laws, we undertake no obligation to update any such statement to reflect events or circumstances after the date on which it is made.

RECENT DEVELOPMENTS

On December 11, 2006, we announced that our Board of Directors declared a regular quarterly dividend on our common stock for the fourth quarter of 2006 in the amount of $0.3125 per share, payable on January 31, 2007, to holders of our common stock of record as of January 12, 2007.

USE OF PROCEEDS

We will not receive any cash proceeds from the sale of the common stock offered by this prospectus supplement and accompanying prospectus.

DESCRIPTION OF COMMON STOCK

The following summary of certain important terms of our common updates the summary set forth under the heading Description of Common Stock in the accompanying prospectus.

General

As of December 31, 2006, our authorized capital stock consisted of 250,000,000 shares of common stock having a par value of $0.01 per share, 50,000,000 shares of preferred stock without par value, and 300,000,000 shares of excess stock having a par value of $0.01 per share. As of December 31, 2006, there were 135,025,142 shares of our common stock issued and outstanding. We currently have four series of preferred stock designated as follows: 6,000,000 shares designated 8.60% Series B Cumulative Redeemable Preferred Stock, 1,000,000 shares designated Series C Junior Participating Cumulative Redeemable Preferred Stock, 2,803,812 shares designated Series E Cumulative Convertible Preferred Stock, and 20,000,000 shares designated Series F Preferred Stock.

In addition, as of December 31, 2006, up to 2,286,091 shares of common stock have been reserved for issuance under our 1999 Long-Term Incentive Plan, up to 15,106,345 shares of common stock have been reserved for issuance under our Dividend Reinvestment and Stock Purchase Plan and up to 1,174,240 shares of common stock have been reserved for issuance upon the exercise of stock options granted under our 1985 Stock Option Plan, which expired in accordance with its terms. Further, as of December 31, 2006, an aggregate of 171,727,940 shares of common stock may be issued upon the exchange of outstanding operating partnership units, tendered to our

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operating partnerships, for redemption in accordance with the provisions of their respective partnership agreements, and an aggregate of 8,828,850 shares of common stock may be issued upon conversion of our 4.00% Convertible Senior Notes due 2035 and an aggregate of up to 7,989,775 shares of common stock may be issued upon conversion of our 3.625% Convertible Senior Notes due 2011.

Common Stock

The following description of our common stock sets forth certain general terms and provisions of the common stock. This description is in all respects subject to and qualified in its entirety by reference to the applicable provisions of Maryland law as well as our charter, bylaws and stockholder rights plan. Our common stock is listed for trading on the New York Stock Exchange under the symbol UDR. The transfer agent and registrar for our common stock is Wells Fargo Bank, N.A., 161 North Concord Exchange, South St. Paul, Minnesota 55075.

Voting Rights

Holders of our common stock have one vote per share and are not entitled to cumulate votes in the election of directors. The holders of our outstanding Series E preferred stock are entitled to vote on an as converted (one-for-one) basis as a single class in combination with the holders of our common stock at any meeting of stockholders for the election of directors or for any other purpose on which holders of our common stock are entitled to vote. The holders of our Series F preferred are entitled to vote on a one-for-one basis as a single class in combination with the holders of our common stock at any meeting of stockholders for the election of directors or for any other purpose on which holders of our common stock are entitled to vote.

Dividends

Holders of our common stock are entitled to receive dividends if, when and as declared by the board of directors out of legally available funds after payment of, or provision for, full cumulative dividends on shares of our preferred stock then outstanding. We currently pay regular quarterly dividends to holders of our common stock out of funds legally available for distribution when, and if, declared by our board of directors. In the event of our voluntary or involuntary liquidation or dissolution, holders of our common stock are entitled to share ratably in our distributable assets remaining after satisfaction of the prior preferential rights of our preferred stock and the satisfaction of all of our debts and liabilities. The shares of common stock offered under this prospectus supplement and accompanying prospectus will be fully paid and nonassessable and will not be subject to preemptive or similar rights.

The dividend and liquidation rights of holders of our common stock are specifically limited by the terms of the outstanding preferred stock, which in general provide that no dividends will be declared or paid on the common stock unless the accrued dividends on each series of outstanding preferred stock have been fully paid or declared and set apart for payment, and that in the event of any liquidation, dissolution or winding up of our company, the holders of each series of outstanding preferred stock will be entitled to receive out of our assets available for distribution to stockholders the liquidation preference of that series before any amount is distributed to holders of common stock.

We are required to seek certain information from all persons who own, directly or by virtue of the attribution provisions of the Code, more than a certain percentage of our outstanding stock. Stockholders who do not provide us with the information requested are required to submit such information with their U.S. federal income tax returns.

Certain Maryland Law Provisions

As a Maryland corporation, we are subject to certain restrictions concerning certain business combinations (including a merger, consolidation, share exchange or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) between us and an interested stockholder. Interested stockholders are persons: (i) who beneficially own 10% or more of the voting power of our outstanding voting stock, or (ii) who are affiliates or associates of us who, at any time within the two-year period prior to the date in question, were the beneficial owners of 10% or more of the voting power of our outstanding stock. Such business combinations are

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prohibited for five years after the most recent date on which the interested stockholder became an interested stockholder. Thereafter, any such business combination must be recommended by the board of directors and approved by the affirmative vote of at least: (i) 80% of the votes entitled to be cast by holders of the outstanding voting shares voting together as a single voting group, and (ii) two-thirds of the votes entitled to be cast by holders of the outstanding voting shares other than voting shares held by the interested stockholder or an affiliate or associate of the interested stockholder with whom the business combination is to be effected, unless, among other things, the corporation s stockholders receive a minimum price for their shares and the consideration is received in cash or other consideration in the same form as previously paid by the interested stockholder for its shares. These provisions of Maryland law do not apply, however, to business combinations that are approved or exempted by the board of directors prior to the time that the interested stockholder becomes an interested stockholder.

Also under Maryland law, control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares owned by the acquirer or by officers or directors who are employees of the corporation. Control shares are shares of stock which, if aggregated with all other shares of stock owned by the acquirer or shares of stock for which the acquirer is able to exercise or direct the exercise of voting power except solely by virtue of a revocable proxy, would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power:

one-tenth or more but less than one-third,

one-third or more but less than a majority, or

a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means, subject to certain exceptions, the acquisition of, ownership of or the power to direct the exercise of voting power with respect to, control shares.

The control share acquisition statute does not apply to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or to acquisitions approved or exempted by the charter or bylaws of the corporation. Our bylaws contain a provision exempting from the control share acquisition statute any acquisitions by any person of shares of our stock.

Under Title 3, Subtitle 8 of the Maryland General Corporation Law, a Maryland corporation that has a class of equity securities registered under the Securities Exchange Act of 1934 and that has at least three independent directors who are not officers or employees of the corporation, are not acquiring persons, are not directors, officers, affiliates or associates of any acquiring person, or are not nominated or designated as a director by an acquiring person, may elect in its charter or bylaws or by resolution of its board of directors to be subject to certain provisions of Subtitle 8 that may have the effect of delaying or preventing a change in control of the corporation. These provisions relate to a classified board of directors, removal of directors, establishing the number of directors, filling vacancies on the board of directors and calling special meetings of the corporation s stockholders. We have not made the election to be governed by these provisions of Subtitle 8 of the Maryland General Corporation Law. However, our articles of restatement, referred to herein as our charter, and our bylaws permit our board of directors to determine the number of directors subject to a minimum number and other provisions contained in such documents.

Restrictions on Ownership and Transfer

Our charter contains ownership and transfer restrictions relating to our stock that are designed primarily to assist us in maintaining our status as a REIT. These restrictions include but are not limited to the following:

no person may beneficially own or constructively own shares of our outstanding equity stock (defined as stock that is either common stock or preferred stock) with a value in excess of 9.9% of the value of all outstanding equity stock unless our board of directors exempts the person from

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such ownership limitation, provided that any such exemption shall not allow the person to exceed 13% of the value of our outstanding equity stock;

any transfer (including acquiring shares upon the conversion of a note) that, if effective, would result in any person beneficially owning or constructively owning equity stock with a value in excess of 9.9% of the value of all outstanding equity stock (or such higher value not to exceed 13% as determined pursuant to an exemption from our board of directors) shall be void as to the transfer of that number of shares of equity stock which would otherwise be beneficially owned or constructively owned by such person in excess of such ownership limit; and the intended transferee shall acquire no rights in such excess shares of equity stock;

except as provided in the charter, any transfer that, if effective, would result in the equity stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution) shall be void as to the transfer of that number of shares which would be otherwise beneficially owned or constructively owned by the transferee; and the intended transferee shall acquire no rights in such excess shares of equity stock; and

any transfer of shares of equity stock (including acquiring shares upon the conversion of a note) that, if effective, would result in us being closely held within the meaning of Section 856(h) of the Code shall be void as to the transfer of that number of shares of equity stock which would cause us to be closely held within the meaning of Section 856(h) of the Code; and the intended transferee shall acquire no rights in such excess shares of equity stock.

Preferred Stock Purchase Rights

Pursuant to our First Amended and Restated Rights Agreement dated September 14, 1999, each share of our common stock evidences one right to purchase from us one one-thousandth of a share of our Series C Junior Participating Cumulative Redeemable preferred stock. Except with respect to certain preferential rights, each one one-thousandth of a share of Series C preferred stock is structured to be the equivalent of one share of common stock. The exercise price of the rights is $45.00, subject to adjustment. The rights are not currently exercisable and no shares of Series C preferred stock are currently outstanding.

The rights will separate from the common stock and a distribution of certificates evidencing the rights will occur upon the earlier of:

10 business days following a public announcement that a person or group of related persons has acquired, or obtained the right to acquire, beneficial ownership of more than 15% of the outstanding shares of common stock, or

10 business days following the commencement of a tender offer or exchange offer that would result in a person or group beneficially owning more than 15% of the outstanding shares of common stock.

Generally, the rights will become exercisable at the time of the distribution of certificates evidencing the rights as set forth above. The rights will expire at the close of business on February 4, 2008, unless we redeem or exchange them earlier.

Additional information regarding the Series C preferred stock is set forth in the accompanying prospectus under the heading Description of Common Stock Preferred Stock Purchase Rights.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our filings with the SEC are available to the public on the Internet at the SEC s web site at http://www.sec.gov. You may also read and copy any document that we file with the SEC at its public reference room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room and their copy charges.

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You can inspect our reports, proxy statements and other information that we file at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

INCORPORATION OF INFORMATION FILED WITH THE SEC

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you be referring you to those documents. The information incorporated by reference herein is an important part of this prospectus supplement and accompanying prospectus. Any statement contained in a document which is incorporated by reference in this prospectus supplement and accompanying prospectus is automatically updated and superseded if information contained in this prospectus supplement and accompanying prospectus, or information that we later file with the SEC prior to the termination of this offering, modifies or replaces this information. The following documents filed with the SEC are incorporated by reference in this prospectus supplement and accompanying prospectus (Commission File No. 1-10524), except for any document or portion thereof deemed to be furnished and not filed in accordance with SEC rules:

Annual Report on Form 10-K for the year ended December 31, 2005 filed on March 7, 2006;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006, filed on May 10, 2006, August 9, 2006 and November 9, 2006, respectively;

Current Reports on Form 8-K and Form 8-K/A filed on January 6, 2006, February 15, 2006, February 21, 2006, February 24, 2006 (Item 5.02 information only), March 2, 2006, March 22, 2006 (Item 3.02 information only), May 5, 2006, May 8, 2006 (not including Item 7.01 information), May 17, 2006, June 5, 2006 (not including Item 7.01 information), June 23, 2006 (not including Item 7.01 information), August 1, 2006 (Item 1.01 information only), August 17, 2006, October 6, 2006, October 12, 2006, October 19, 2006 (not including Item 7.01 information), November 30, 2006, December 12, 2006 and December 15, 2006;

our definitive proxy statement dated March 31, 2006, filed in connection with our Annual Meeting of Stockholders held on May 2, 2006;

the description of our capital stock contained in our Registration Statement on Form 8-A/A dated and filed with the SEC on November 7, 2005, and all amendments or reports filed with the SEC for the purpose of updating such description;

all documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act) (other than current reports furnished under Item 2.02 or 7.01 of Form 8-K) after the date of this prospectus supplement and prior to the termination of this offering.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus are delivered, a copy of any of the documents referred to above by written or oral request. To receive a free copy of any of the documents incorporated by reference in this prospectus supplement and accompanying prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents), call or write to United Dominion Realty Trust, Inc., 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129, Attention: Investor Relations, telephone number (720) 283-6120. We also maintain a website that contains additional information about us (http://www.udrt.com). Information on our website is not part of, or incorporated by reference into, this prospectus supplement or the accompanying prospectus.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion supplements, where applicable, the corresponding discussions under the caption Material U.S. Federal Income Tax Considerations in the accompanying prospectus.

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This section is based on current law. The tax law upon which this discussion is based could be changed, and any such change could have a retroactive effect. The following discussion is not exhaustive of all possible tax considerations. This summary neither gives a detailed discussion of any state, local or foreign tax considerations nor discusses all of the aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances or to particular types of stockholders of our common stock which are subject to special tax rules.

We urge you to consult your own tax advisor regarding the specific tax consequences to you of the acquisition, ownership, and disposition of our common stock and of our election to be taxed as a REIT. Specifically, you should consult your own tax advisor regarding the U.S. federal, state, local, foreign, and other tax consequences of such acquisition, ownership, disposition, and election, and regarding potential changes in applicable tax laws.

General

We elected to be taxed as a REIT under the federal income tax laws commencing with our taxable year ended December 31, 1972. We believe that we have been organized and operated in a manner that permits us to satisfy the requirements for taxation as a REIT under the applicable provisions of the Internal Revenue Code of 1986, as amended (the Code). Qualification and taxation as a REIT depend upon our ability to meet, through actual annual operating results, asset diversification, distribution levels and diversity of stock ownership, the various qualification tests imposed under the Code discussed below. Although we intend to continue to operate to satisfy such requirements, the actual results of our operations for any particular taxable year may not satisfy such requirements.

Morrison & Foerster LLP has acted as our tax counsel in connection with the filing of this prospectus supplement. In connection with this filing, Morrison & Foerster LLP will opine that we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code for each of our taxable years beginning with the taxable year ended December 31, 2003 through our taxable year ended December 31, 2006, and if we continue to be organized and operated after December 31, 2006 in the same manner as we have prior to that date, we will continue to qualify as a REIT. The opinion of Morrison & Foerster LLP will be based on various assumptions and representations made by us as to factual matters, including representations made by us in this prospectus and a factual certificate provided by one of our officers. The opinion of Morrison & Foerster LLP is based upon existing law, Treasury regulations and current administrative positions of the IRS and judicial decisions, all of which are subject to change either prospectively or retroactively. Moreover, our qualification and taxation as a REIT depends upon our ability to meet the various qualification tests imposed under the Code and discussed below, relating to our actual annual operating results, asset diversification, distribution levels, and diversity of stock ownership, the results of which have not been and will not be reviewed by Morrison & Foerster LLP. Accordingly, neither Morrison & Foerster LLP nor we can assure you that the actual results of our operations for any particular taxable year will satisfy these requirements.

Qualification as a REIT

Our continued qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the Code. A summary of certain U.S. federal income tax considerations relating to our election to be taxed as REIT is provided in the accompanying prospectus.

Tax Consequences of an Investment in Our Common Stock

A summary of certain U.S. federal income tax consequences relating to the purchase, ownership, and disposition of our common stock (to the extent not inconsistent with the discussion below under " Tax Increase Prevention and Reconciliation Act of 2005) is provided in the accompanying prospectus under the caption Investment in Our Stock.

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Tax Increase Prevention and Reconciliation Act of 2005

Subsequent to the date of our prospectus, Congress passed the Tax Increase Prevention and Reconciliation Act of 2005, or the Act, and the President signed the Act into law. The Act made certain changes as discussed below.

With respect to the discussion in the accompanying prospectus under the caption Investment in Our Stock Taxation of Taxable U.S. Holders, the provisions relating to the maximum tax rate of 15% for long-term capital gain applicable to noncorporate taxpayers and qualified dividend income of noncorporate taxpayers that is currently taxed as net capital gain at the maximum tax rate of 15% apply for taxable years beginning before January 1, 2011.

With respect to the discussion in the accompanying prospectus under the caption Investment in Our Stock Taxation of Non-U.S. Holders, the Act explicitly requires withholding on distributions by a REIT to non-U.S. holders that are attributable to gain from the sale or exchange of USRPIs at a rate of 35%, or, to the extent provided by U.S. treasury regulations, at 15%. This withholding requirement had previously been imposed only under U.S. Treasury regulations. This provision is effective for taxable years of REITs beginning after December 31, 2005, except that no withholding is required for distributions before the enactment of the Act that were not subject to withholding under prior law.

The Act also provides that a non-U.S. holder that disposes of its REIT stock during the 30-day period preceding a distribution on that stock that would have been treated as a distribution from the disposition of a USRPI, that acquires a substantially identical interest, or enters into a contract or option to acquire such an interest during the 61-day period beginning the first day of such 30-day period preceding that distribution, and that does not in fact receive the distribution in a manner that subjects the foreign shareholder to tax under FIRPTA, will now be subject to tax under FIRPTA on an amount equal to the amount of the distribution that was not taxed under FIRPTA as a result of the disposition. This provision also applies to substitute dividend payments under stock loan transactions. However, no withholding is required on the proceeds of such dispositions. This provision is effective for taxable years of REITs beginning after December 31, 2005, except for any distribution or substitute dividend payment occurring within 30 days after May 17, 2006.

Finally, the Act provides that a distribution by a REIT to another REIT that is attributable to gain from the sale or exchange of a USRPI will retain its character as gain from the sale or exchange of a USRPI in the hands of the REIT. This provision is effective for taxable years of REITs beginning after December 31, 2005.

Other Tax Considerations

Possible Legislative or Other Actions Affecting Tax Considerations

Prospective investors should recognize that the present U.S. federal income tax treatment of an investment in us may be modified by legislative, judicial or administrative action at any time, and that any such action may affect investments and commitments previously made. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the tax consequences of an investment in us.

State and Local Taxes

We and our stockholders may be subject to state or local taxation in various jurisdictions, including those in which we or they transact business or reside. The state and local tax treatment of us and our stockholders may not conform to the U.S. federal income tax consequences discussed above. Consequently, prospective stockholders should consult their own tax advisers regarding the effect of state and local tax laws on an investment in our common stock.

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SELLING STOCKHOLDER

We issued the shares of common stock to the selling stockholder upon conversion of a total of 469,344 limited partnership units of United Dominion Realty, L.P., a Delaware limited partnership, held by the selling stockholder. The limited partnership units were originally issued by United Dominion Realty, L.P. in connection with the acquisition by us of American Apartment Communities II in 1998. The selling stockholder, including its pledges or donees or successors, may from time to time offer and sell any or all of the common stock pursuant to this prospectus supplement and accompanying prospectus.

The following table sets forth information with respect to the selling stockholder and the common stock beneficially owned by the selling stockholder that may be offered under this prospectus supplement and accompanying prospectus. This information is based on information provided by or on behalf of the selling stockholder. The selling stockholder may offer all, some or none of the common stock. Because the selling stockholder may offer all or some portion of the common stock, we cannot give you an estimate as to the amount of the common stock that will be held by the selling stockholder upon termination of any sales. The table below assumes that the selling stockholder will sell all of its common stock. The selling stockholder may have sold, transferred or otherwise disposed of all or a portion of its common stock since the date on which it provided the information regarding its common stock in transactions exempt from the registration requirements of the Securities Act. To our knowledge, the selling stockholder has sole voting and investment power with respect to all of the shares of common stock shown as beneficially owned by the selling stockholder.

Name	Common Stock Beneficially Owned	Common Stock Offered Hereby	Common Stock Beneficially Owned After Completion of the Offering	Percentage Ownership of Common Stock Outstanding After the Offering (1)
Klingbeil Multifamily Fund V, L.P. (2)	469,344	469,344	0	*

* Less than 1%.

(1) Calculated based on 135,038,923 shares of our common stock outstanding as of February 1, 2007. Beneficial ownership after the offering assumes the sale of all shares offered by this prospectus supplement and accompanying

prospectus and no other purchases or sales of our common stock by the selling stockholder. If the selling stockholder does not sell the shares offered by this prospectus supplement and accompanying prospectus, actual share ownership will be higher than this table reflects.

(2) The selling stockholder has acknowledged to us that it is not a registered broker-dealer or affiliated with a registered broker-dealer. The selling stockholder is a limited partnership, the general partnership of which is KMF V Associates, LLC. AAC Management LLC owns all of the outstanding interests of KMF V Associates, LLC and is also a limited partner of the selling stockholder. AAC

Management LLC is controlled by James D. Klingbeil, who is one of our independent directors. Mr. Klingbeil may be deemed to beneficially own, directly or indirectly, up to 1,962,894 shares of our common stock, including shares of common stock into which limited partnership units of United Dominion Realty, L.P. owned by various limited partnerships and limited liability companies are redeemable if we elect to issue shares of common stock rather than pay cash on such redemption. The table above reflects only the shares of common stock held by the selling stockholder and not any other shares of our common stock which Mr. Klingbeil may be deemed to beneficially own, directly or

indirectly.

Information about the selling stockholder may change over time. Any changed information given to us by the selling stockholder will be set forth in prospectus supplements if and when necessary.

PLAN OF DISTRIBUTION

The selling stockholder and its successors, including its pledgees, donees, partnership distributees and other transferees receiving the common stock from the selling stockholder in non-sale transfers, may sell the common stock directly to purchasers or through underwriters, broker-dealers or agents. Underwriters, broker-dealers or agents may receive compensation in the form of discounts, concessions or commissions from the selling stockholder or the purchasers. These discounts, concessions or commissions may be in excess of those customary in the types of transactions involved.

The common stock may be sold in one or more transactions at:

fixed prices that may be changed;

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prevailing market prices at the time of sale;

prices related to the prevailing market prices;

varying prices determined at the time of sale; or

negotiated prices.

These sales may be effected in transactions, which may involve cross or block transactions, in the following manner:

on any national securities exchange or quotation service on which the common stock may be listed or quoted at the time of sale, including the New York Stock Exchange;

in the over-the-counter-market;

in transactions otherwise than on these exchanges or services or in the over-the-counter market (privately negotiated transactions);