

UMH PROPERTIES, INC.  
Form DEF 14A  
April 22, 2019

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934**

Filed by the Registrant  [X]  
Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement
- [ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6 (e)(2))
- [X] Definitive Proxy Statement
- [ ] Definitive Additional Materials
- [ ] Soliciting Material Pursuant to §240.14a-12

**UMH Properties, Inc.**

**(Name of Registrant as Specified in Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11 (a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

UMH PROPERTIES, INC.

**Juniper Business Plaza, 3499 Route 9 North, Suite 3-C**

**Freehold, New Jersey 07728**

**NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS**

**June 13, 2019**

Notice is hereby given that the Annual Meeting of Shareholders (the “Annual Meeting”) of UMH Properties, Inc., a Maryland corporation (the “Company”), will be held on Thursday, June 13, 2019, at 4:00 p.m., Eastern Time, at the offices of the Company at Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, New Jersey 07728, to consider and vote on the following matters, each as more fully described in the accompanying proxy statement:

1. The election of three Class I directors, each to hold office until the Company’s annual meeting of shareholders in 2022 and until his successor is duly elected and qualifies;
2. The ratification of the appointment of PKF O’Connor Davies, LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2019; and
3. Such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

The Board of Directors of the Company has fixed the close of business on March 29, 2019, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting or any adjournments or postponements thereof.

**EVEN IF YOU PLAN TO BE PRESENT IN PERSON, YOU SHOULD AUTHORIZE A PROXY TO VOTE YOUR SHARES PRIOR TO THE MEETING USING THE METHODS DETAILED ON PAGE 10 OF THIS PROXY STATEMENT.**

**YOUR VOTE IS IMPORTANT. PLEASE VOTE.**

**BY ORDER OF THE BOARD OF DIRECTORS**

**CRAIG KOSTER  
SECRETARY**

**April 22, 2019**

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**UMH PROPERTIES, INC.**

**Juniper Business Plaza**

**3499 Route 9 North, Suite 3-C**

**Freehold, New Jersey 07728**

**PROXY STATEMENT**

**2019 ANNUAL MEETING OF SHAREHOLDERS**

**June 13, 2019**

**SOLICITATION OF PROXIES**

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of UMH Properties, Inc., a Maryland corporation (the “Company”), of proxies to be voted at the Annual Meeting of Shareholders of the Company (the “Annual Meeting”) to be held on Thursday, June 13, 2019, at 4:00 p.m., Eastern Time, at the offices of the Company at Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, New Jersey 07728, and at any adjournments or postponements thereof, for the purposes listed in the preceding Notice of Annual Meeting of Shareholders (“Notice”). This Proxy Statement and the accompanying Proxy Card are being distributed on or about April 22, 2019, to shareholders of record as of the close of business on March 29, 2019. Unless the context requires otherwise, references in this Proxy Statement to “UMH”, “we”, “our”, “us” and the “Company” refer to UMH Properties, Inc. and its consolidated subsidiaries.

A copy of the Company’s 2018 Annual Report, including financial statements, is being mailed herewith, and is available on the Company’s website at [www.umh.reit](http://www.umh.reit).

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON JUNE 13, 2019**

Under rules adopted by the U.S. Securities and Exchange Commission (“SEC”), you are able to obtain proxy materials via the Internet, instead of being mailed printed copies of those materials. This will expedite shareholders’ receipt of proxy materials, lower the cost of the annual meeting, and help conserve natural resources. Please visit the website [www.proxyvote.com](http://www.proxyvote.com) to view electronic versions of proxy materials and the Company’s 2018 Annual Report, and to request electronic delivery of future proxy materials. Have your Proxy Card or Notice of Internet Availability in hand when you access the website and follow the instructions. You will need your 12-digit Control Number which is located on your Proxy Card or Notice of Internet Availability. Shareholders also may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

## **UMH CONTACT INFORMATION**

The mailing address of our principal executive office is Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, New Jersey 07728, and our main telephone number is (732) 577- 9997. We maintain an Internet website at [www.umh.reit](http://www.umh.reit). Information at or connected to our website is not incorporated by reference into this Proxy Statement and is not and should not be considered part of this Proxy Statement.

## Proxy Statement Summary

This summary highlights the proposals to be voted upon, as well as the financial performance, strategic growth and environmental, social and corporate governance information described in more detail elsewhere in this Proxy Statement.

## Annual Meeting Proposals

Proposal	Recommendation of the Board
1. Election of Directors	<i>FOR each of the nominees</i>
2. Ratification of Independent Registered Public Accounting Firm	<i>FOR</i>

## Financial Performance and Strategic Growth Highlights

UMH Properties, Inc. had another strong year in 2018. To highlight some of our many accomplishments, as discussed in our 2018 Annual Report to shareholders, the Company:

Generated a 12% increase in Normalized Funds From Operations (FFO)<sup>1</sup> per share;

Increased Rental and Related Income by 12 %;

Increased Community Net Operating Income (“NOI”) by 13%;

Improved our Operating Expense ratio by 50 basis points to 46.5%;

Increased Same Property NOI by 7%;

Increased Same Property Occupancy from 82.6% to 83.0%;

Increased home sales by 45%;

Acquired 6 communities containing approximately 1,600 homesites for a total cost of \$59.1 million, bringing our total property portfolio to 118 manufactured home communities with over 21,500 developed homesites;

Increased our rental home portfolio by 905 homes to approximately 6,500 total rental homes, representing an increase of 16%;

Expanded and extended our existing unsecured revolving credit facility, increasing the available borrowings and reducing interest costs;

Issued 2,000,000 shares of a new 6.375% Series D Cumulative Redeemable Preferred Stock, for net proceeds after deducting the underwriting discount and other estimated offering expenses, of approximately \$48 million; and

Raised \$35.1 million through our Dividend Reinvestment and Stock Purchase Plan.

<sup>1</sup> Normalized FFO and Community NOI are non-GAAP performance measures. See Financial Information beginning on page 56 for a discussion of our non-GAAP performance measures.



UMH has a track record of strong performance and attractive returns for its shareholders. The Company has been one of the 50 best performing REITs based upon total shareholder return over the past 3, 5 and 10-year periods.<sup>1</sup> Over the last five years, UMH Properties, Inc. has grown its Community Operating Income by 150%, Normalized FFO per share from \$0.39 to \$0.74, an increase of 90%, and generated total returns to its shareholders of 97% (19% per annum).

<sup>1</sup> Source: KeyBanc “The Leaderboard” publication dated January 4, 2019.

<sup>2</sup> Represents normalized FFO per common share, which excludes acquisition costs, early extinguishment of debt, gains on sales of securities, and litigation settlements, as of yearend 12/31/2018; growth rate represents compounded annual growth rate (CAGR).

<sup>3</sup> REIT index represents RMS, a free float-adjusted market capitalization weighted index that is comprised of equity REITs and is calculated with dividends reinvested on a daily basis.

## Corporate Environmental, Social and Governance (“ESG”) Highlights

UMH Properties, Inc. was incorporated in 1968. We believe that good corporate governance and robust ESG policies have been an essential element of the Company’s successful history. The Company’s long-term performance and profitability support its current ESG model. Some ESG highlights are as follows:

**Corporate Sustainability.** The Company is committed to environmental and social stewardship for the purpose of creating value for its shareholders, residents, employees and communities and reducing its impact on the environment as described in more detail elsewhere in this Proxy Statement.

**Independent Board of Directors and Board Committees:** A majority of the Company’s directors are independent within the meaning of SEC rules and the listing standards of the New York Stock Exchange (NYSE). All committee members are independent under applicable NYSE and SEC rules for committee membership. Each of the four members of our audit committee qualifies as an “audit committee financial expert” under applicable SEC rules (SEC rules require that at least one director qualify as an “audit committee financial expert”). The Company’s independent directors meet in executive session at least annually.

**Presiding Director:** Our Board of Directors has designated an independent director as presiding director.

**Annual Board and Board Committee Self-Evaluations.** Our directors and individual board committees engage in annual self-evaluations.

**Substantial Insider Ownership: Management’s Interests are Aligned with Shareholder Interests.** The aggregate stock ownership of Company directors and executive officers represents approximately 11.0% of the Company’s outstanding shares, which currently represents the largest block of shareholders and helps align our management’s interests with our shareholders’ interests.

**Considerable CEO Stock Ownership Requirements.** The Chief Executive Officer is required by Company policy to own shares of the Company’s common stock having a value equal to at least six times his base salary and is well within compliance with these requirements, currently owning in excess of four times this ownership requirement.

**Robust Director Stock Ownership Guidelines.** The Company recommends that each individual serving as a director on the Board own shares of the Company’s common stock having a value equal to at least three times the director’s annual cash retainer from the Company. Currently, seven out of the ten directors satisfy this requirement.

**Annual Assessment of Compensation.** The Company annually assesses its compensation policies to determine whether such policies encourage excessive risk taking.

**Anti-Hedging Policy.** The Company prohibits the purchase or sale of puts, calls, options or other derivative securities based on the Company’s securities by directors, officers or employees. Our policy also prohibits hedging or monetization transactions, such as forward sale contracts, in which the shareholder continues to own the underlying Company security without all the risks or rewards of ownership.

**No Poison Pill:** We have not adopted a shareholder rights plan.



Our Board believes that effective corporate governance should include regular constructive discussions with our shareholders. We have a proactive engagement process that encourages feedback from our shareholders. This feedback helps shape our governance practices. The Company's commitment towards good corporate governance is demonstrated through its corporate governance guidelines and policies which can be found under the "Corporate Governance" tab of the Company's investor website: [www.umh.reit](http://www.umh.reit).

## **FREQUENTLY ASKED QUESTIONS ABOUT THE ANNUAL MEETING**

### ***Why am I receiving this Proxy Statement?***

You are receiving these materials because you owned shares of our Company's common stock (hereinafter sometimes referred to herein as "Common Shares") as a "registered" shareholder or you held Common Shares in "street name" at the close of business on March 29, 2019, the record date for the Annual Meeting, and that entitles you to vote at our Annual Meeting to be held at 4:00 p.m., local time, on Thursday, June 13, 2019, at the offices of the Company at Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, New Jersey 07728, or any postponements or adjournments of such meeting, for the purposes set forth in the Notice of 2019 Annual Meeting of Shareholders. This Proxy Statement contains information related to the solicitation of proxies for use at the Annual Meeting.

### ***Who is soliciting my proxy?***

This solicitation of proxies is made by and on behalf of our Board of Directors. We will pay the costs of soliciting proxies, which will consist primarily of the cost of printing, postage and handling. In addition to soliciting proxies by mail, our officers, directors and other employees, without additional compensation, may solicit proxies personally or by other appropriate means. It is anticipated that banks, brokers, fiduciaries, custodians and nominees will forward proxy soliciting materials to their principals, and that we will reimburse these persons' out-of-pocket expenses.

We have also retained Okapi Partners LLC ("Okapi"), a proxy solicitation firm, to assist in the distribution of proxy materials and the solicitation of proxies from brokerage firms, banks, broker-dealers, and other similar organizations representing beneficial owners of Common Shares for the Annual Meeting. We have agreed to pay Okapi a fee of approximately \$13,500, plus out-of-pocket expenses. You may contact Okapi at (877)-629-6357.

### ***What is the difference between a "registered" shareholder and a shareholder holding shares in "street name?"***

If your Common Shares are registered directly in your name with American Stock Transfer & Trust Company, LLC (“AST”) our transfer agent, you are a “registered” shareholder. If you own Common Shares through a broker, bank, trust or other nominee rather than in your own name, you are the beneficial owner of the Common Shares, but considered to be holding the Common Shares in “street name.”

***Who can attend the Annual Meeting?***

All of our common shareholders of record as of the close of business on March 29, 2019, the record date for the Annual Meeting, or individuals holding their duly authorized proxies, may attend the Annual Meeting. You should be prepared to present photo identification for admittance. Appointing a proxy in response to this solicitation will not affect a shareholder's right to attend the Annual Meeting and to vote in person. Please note that if you hold your common stock in "street name" (that is, through a broker, bank or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the close of business on March 29, 2019, the record date for the Annual Meeting, to gain admittance to the Annual Meeting.

***Who may vote?***

You may vote if you owned shares of our common stock at the close of business on March 29, 2019, which is the record date for the Annual Meeting. You are entitled to cast one vote for as many individuals as there are directors to be elected at the Annual Meeting and to cast one vote on each other matter presented at the Annual Meeting for each share of common stock you owned as of the record date. Cumulative voting is not permitted in the election of directors.

***What is a quorum for the Annual Meeting?***

As of the close of business on March 29, 2019, we had 39,158,261 shares of common stock outstanding. In order to conduct a meeting, shareholders entitled to cast a majority of the votes entitled to be cast at the Annual Meeting must be present in person or by proxy. No business may be conducted at the Annual Meeting if a quorum is not present. If you submit a properly executed Proxy Card or authorize a proxy by telephone or via the Internet, you will be considered part of the quorum. Abstentions and broker "non-votes" will be counted as present and entitled to vote for purposes of determining a quorum. A broker "non-vote" results when a bank, broker or other nominee who holds shares for another person has not received voting instructions from the owner of the shares and, under the applicable rules, does not have discretionary authority to vote on a matter.

***What am I voting on?*** At the Annual Meeting, you may consider and vote on:

The election of three Class I directors, each to serve until the 2022 annual meeting of shareholders and until his respective successor is duly elected and qualifies;

The ratification of the appointment of PKF O'Connor Davies, LLP as our independent registered public accounting firm for the year ending December 31, 2019; and

Any other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

We are not aware of any other business, other than procedural matters relating to the Annual Meeting or the proposals listed above, that may properly be brought before the Annual Meeting. Once the business of the Annual Meeting is concluded, members of management will respond to questions raised by shareholders, as time permits.

*What are the Board's recommendations?*

The Board recommends a vote:

**FOR the election of each nominee named in this Proxy Statement for election as a Class I director (Proposal No. 1); and**

**FOR the ratification of the appointment of PKF O'Connor Davies, LLP as our independent registered public accounting firm for the year ending December 31, 2019 (Proposal No. 2).**

Unless you give other instructions on your Proxy Card, the persons named as proxy holders on the Proxy Card will vote in accordance with the recommendations of the Board.

*How many votes are needed to approve each of the proposals assuming that a quorum is present at the Annual Meeting?*

Proposal 1: Election of Directors: The election of a director nominee must be approved by a plurality of the votes cast in the election of directors.

Proposal 2: Approval of the ratification of the appointment of PKF O'Connor Davies, LLP as our independent registered public accounting firm for the year ending December 31, 2019 requires the affirmative vote of a majority of the votes cast on the proposal.

If you are a shareholder of record as of the record date for the Annual Meeting and you authorize a proxy (whether by Internet, telephone or mail) without specifying voting instructions on any matter to be considered at this Annual Meeting, the proxy holders will vote your shares according to the Board's recommendation on that matter and in their discretion on any other matter that may properly come before the Annual Meeting.

If you are a shareholder of record as of the record date for the Annual Meeting and you fail to authorize a proxy or attend the meeting and vote in person, assuming that a quorum is present at the Annual Meeting, it will have no effect



on the result of the vote on any of the matters to be considered at the Annual Meeting.

If you hold your shares through a broker, bank or other nominee, under the rules of the New York Stock Exchange (“NYSE”), your broker or other nominee may not vote with respect to certain proposals unless you have provided voting instructions with respect to that proposal. As noted above, this is referred to as a broker “non-vote.” A broker non-vote is not considered a vote cast on a proposal and broker non-votes will have no effect on the vote on any of the matters to be considered at the Annual Meeting. If you hold your shares in a brokerage account, then, under NYSE rules and Maryland law, your broker is entitled to vote your shares on Proposal No. 2 (Ratification of Independent Registered Public Accounting Firm) if no instructions are received from you, but your broker is not entitled to vote on Proposal No. 1 (Election of Directors) without specific instructions from you.

*How do I vote?*

If you plan to attend the Annual Meeting and wish to vote in person, we will give you a ballot at the Annual Meeting. However, if your common stock is held in the name of your broker, bank or other nominee, and you want to vote in person, you will need to obtain a legal proxy from the institution that holds your common stock.

If your common stock is held of record in your name, there are three ways for you to authorize a proxy:

**By Telephone or on the Internet** – You can authorize a proxy by calling the toll-free telephone number on your Proxy Card or Notice of Internet Availability. Please have your Proxy Card or Notice of Internet Availability in hand when you call. Easy-to-follow voice prompts allow you to authorize a proxy to vote your shares and confirm that your instructions have been properly recorded. The website for Internet voting is [www.proxyvote.com](http://www.proxyvote.com). Please have your Proxy Card or Notice of Internet Availability handy when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded. Telephone and Internet voting facilities for shareholders of record will be available 24 hours a day, and will close at 11:59 p.m., Eastern Time, on June 12, 2019. The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, the Company recommends that you follow the voting instructions in the materials you receive. If you vote by telephone or on the Internet, you do not have to return your Proxy Card.

**By Mail** – If you received your Annual Meeting materials by mail, you may complete, sign and date the Proxy Card and return it in the prepaid envelope. If you are a shareholder of record and you return your signed Proxy Card but do not indicate your voting preferences, the persons named in the Proxy Card will vote the shares represented by that proxy as recommended by the Board of Directors on each matter listed in this Proxy Statement and in their discretion on any other matter properly brought before the Annual Meeting.

**In Person at the Annual Meeting** – All shareholders of record may vote in person at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. Even if you plan to attend the Annual Meeting, we request that you authorize a proxy in advance as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

If you mail us your properly completed and signed Proxy Card or authorize a proxy to vote your shares by telephone or Internet, your votes will be cast according to the choices that you specify. Unless you indicate otherwise on your Proxy Card, the persons named as your proxies will cast your votes: FOR all of the nominees for election as directors named in this Proxy Statement; FOR the ratification of the appointment of PKF O'Connor Davies, LLP as our independent registered public accounting firm; and in their discretion on any additional matters properly brought before the Annual Meeting.

If your common stock is held in the name of your broker, bank or other nominee, you should receive separate instructions from the holder of your common stock describing how to provide voting instructions.



***Can I revoke my proxy?*** Yes, if your common stock is held in your name, you can revoke your proxy by:

Filing written notice of revocation before our Annual Meeting with our Secretary at the address shown on the front of this Proxy Statement;

Signing a proxy bearing a later date; or

Voting in person at the Annual Meeting.

Attendance at the Annual Meeting will not, by itself, revoke a properly-executed proxy. If your common stock is held in the name of your broker, bank or other nominee, please follow the voting instructions provided by the holder of your common stock regarding how to revoke your instructions.

***What if I return my proxy but abstain?***

Abstentions are counted as present for determining a quorum. However, abstentions will have no effect on any of the items to be considered at the Annual Meeting.

***Why did I receive more than one Notice, proxy card, voting instruction form and/or email?***

You will receive more than one Notice of Availability, proxy card, voting instruction form or email, or any combination of these, if you hold your common stock in different ways (i.e., joint tenancy, trusts and custodial accounts) or in multiple accounts. You should provide voting instructions for all Notices of Availability proxy cards, voting instruction forms and email links you receive.

***What is “householding” and how does it affect me?***

If you and other residents at your mailing address who have the same last name own our common stock in street name, your broker or bank may have sent you a notice that your household will receive only one Annual Report to Stockholders (the “Annual Report”) and Proxy Statement. This practice of sending only one copy of proxy materials is known as “householding.” If you did not respond that you did not want to participate in householding, you were deemed to have consented to the process. If the foregoing procedures apply to you, your broker has sent one copy of each of our Notice of Availability or Annual Report, Notice of Meeting and Proxy Statement to your address. However, even

if your broker has sent only one copy of these proxy materials, each stockholder in your household should receive a proxy card or should be able to vote individually via telephone or internet. You may revoke your consent to householding at any time by contacting your broker or bank, if you hold your shares in a “street name,” or by calling American Stock Transfer & Trust Company, LLC (“AST”) at (800) 937-5449 if you are a “registered” stockholder. The revocation of your consent to householding will be effective 30 days following its receipt. In any event, if you did not receive an individual copy of our annual report or Proxy Statement, we will promptly send a separate copy of the Annual Report, the Proxy Statement or the Notice of Availability to you upon oral or written request. Such request can be made by contacting us at 3499 Route 9 North, Suite 3-C, Freehold, NJ 07728, attention: Secretary (telephone number: (732) 577-9997). Any stockholders sharing the same address and currently receiving multiple copies of the Annual Report and the Proxy Statement who wish to receive only one copy of these materials per household in the future may also contact your broker or bank or us to participate in the householding program.

***What if I have questions about the Notice of Availability, voting or email delivery?***

Questions regarding the Notice of Availability, voting or email delivery should be directed to our Secretary at UMH Properties, Inc., 3499 Route 9 North, Suite 3-C, Freehold, NJ 07728.

PROPOSAL 1

ELECTION OF DIRECTORS

The Company’s charter and bylaws provide for a classified board of directors comprised of Class I, II, and III directors. Three Class I directors will be elected at the Annual Meeting, to serve until the Company’s annual meeting of shareholders in 2022 and until their successors are duly elected and qualify. The three nominees for election as Class I directors are set forth below. Unless instructed otherwise, the proxy holders will vote all proxies received by them for the nominees listed below or, if any such nominee is unwilling or unable to serve, for any other nominee designated by the Company’s Board of Directors. As of the date of this Proxy Statement, the Company’s Board of Directors is not aware of any other individual who may properly be nominated for election as a Class I director at the Annual Meeting or of any nominee who is unable or unwilling to serve as director, if elected. Two of the nominees listed below are currently serving as directors of the Company. Each of the three director nominees has consented, if elected as a director, to serve until his term expires.

The Company’s Board of Directors currently consists of ten directors, three of whom have terms expiring at the Annual Meeting and when their successors are duly elected and qualify.

INFORMATION REGARDING DIRECTOR NOMINEES

The following information concerning the principal occupation, other affiliations and business experience of each of the three Class I Director nominees during the last five years has been furnished to the Company by such nominee:

		<b>Present Position with the Company; Business</b>	
		<b>Experience During Past Five Years; Other</b>	
<b>Director</b>	<b>Age</b>	<b>Directorships</b>	<b>Director Since</b>
Michael P. Landy	57	<b>Director. Executive Vice President (2010 to 2012), Vice President – Investments (2001 to 2011 2010).</b> President and Chief Executive Officer (2013 to present), Chief Operating Officer (2011 to 2013), Executive Vice President (2009 to 2010), Executive Vice President – Investments (2006 to 2009), Vice President – Investments (2001 to 2006) and Director (2007 to present) of Monmouth Real Estate Investment Corporation, an affiliated company; Member of New York University’s REIT Center Board of Advisors (2013 to present), Member of Nareit’s Advisory Board of Governors (2018 to present). Mr. Landy’s extensive	

experience in real estate finance, investment, capital markets and operations management are the primary reasons, among others, why Mr. Landy serves on our Board.

**Present Position with the Company; Business**

**Experience During Past Five Years; Other**

<b>Director</b>	<b>Age</b>	<b>Directorships</b>	<b>Director Since</b>
William E. Mitchell	52	General Partner of Mitchell Portfolio Management (2012 to present) and Founder and Owner of Spinoff & Reorg Profiles (2005 to 2014). Mr. Mitchell's extensive knowledge in investments and computer technology are the primary reasons, among others, why Mr. Mitchell has been nominated to serve on our Board.	N/A
Stephen B. Wolgin	65	<b>Independent Director.</b> Managing Director of U.S. Real Estate Advisors, Inc., a real estate advisory services group based in New Jersey (2000 to present); Director (2003 to present) of Monmouth Real Estate Investment Corporation, an affiliated company; Prior Partner with the Logan Equity Distressed Fund (2007 to 2017); Prior affiliations with J.P. Morgan, Odyssey Associates, The Prudential Realty Group, Standard & Poor's Corporation, and Grubb and Ellis. Mr. Wolgin's extensive experience as a real estate and finance consultant and experience in the real estate industry are the primary reasons, among others, why Mr. Wolgin serves on our Board.	2007

Two of the three nominees for Class I Directors are current members of our Board of Directors. One Class I Director nominee, William E. Mitchell, is a new nominee. William E. Mitchell is the son of one of our current directors, James E. Mitchell, who is not standing for re-election and will retire from our Board as of the Annual Meeting.

**Vote Required:**

At the Annual Meeting, the shareholders of the Company will be requested to elect three Class I Directors. A plurality of the votes cast in person or by proxy at the Annual Meeting, assuming a quorum is present, is required to elect a nominee.

**Board Recommendation:**

THE COMPANY'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS YOU VOTE "FOR" THE ELECTION OF THE THREE NOMINEES NAMED ABOVE



**INFORMATION CONCERNING CONTINUING DIRECTORS AND  
EXECUTIVE OFFICERS**

**Class II Directors with Terms Expiring in 2020**

		<b>Present Position with the Company; Business Experience During Past Five Years; Other</b>	
<b>Director</b>	<b>Age</b>	<b>Directorships</b>	<b>Director Since</b>
Jeffrey A. Carus	56	<b>Independent Director.</b> Founder and Managing Partner of JAC Partners, LLC (2009 to present); Founder and Managing Member of JAC Management, LLC (1998 to present); Principal of Advalurem Group (2012-2014); Prior affiliations with CW Capital and Credit Suisse. Mr. Carus' extensive experience in real estate finance and investment is the primary reason, among others, why Mr. Carus serves on our Board.	2011
Matthew I. Hirsch	59	<b>Presiding Independent Director.</b> Attorney at Law (1985 to present) Law Office of Matthew I. Hirsch. Adjunct Professor of Law, Delaware Law School of Widener University (1993 to present); Director (2000 to present) of Monmouth Real Estate Investment Corporation, an affiliated company. Mr. Hirsch's experience with real estate transactions, legal issues relating to real estate and the real estate industry is the primary reason, among others, why Mr. Hirsch serves on our Board.	2013
Kenneth K. Quigley, Jr.	61	<b>Independent Director.</b> Attorney at Law; President of Curry College (1996 to present); Director of Randolph Bancorp (2013 to present); Director of Central Bancorp (2010 to 2011). Mr. Quigley's management, governance, law, accounting, finance and REIT experience is the primary reason, among others, why Mr. Quigley serves on our Board.	2016

## Class III Directors with Terms Expiring in 2021

Nominee	Age	Directorships	Present Position with the Company; Business	Director Since
			Experience During Past Five Years; Other	
Anna T. Chew	60		<b>Vice President and Chief Financial Officer (1995 to present), Chief Accounting Officer (1991 to present), Treasurer (2004 to present), Controller (1991 to 1995) and Director.</b> Certified Public Accountant; Interim Chief Financial Officer (March 2012 to July 2012), Treasurer (2010 to 2013), Chief Financial Officer (1991 to 2010) and Director (1993 to 2004, and 2007 to 2017) of Monmouth Real Estate Investment Corporation, an affiliated company. Ms. Chew's extensive public accounting, finance and real estate industry experience is the primary reason, among others, why Ms. Chew serves on our Board.	1995
Eugene W. Landy	85		<b>Founder (1968), Chairman of the Board (1995 to present), President and Chief Executive Officer (1968 to 1995), and Director.</b> Attorney at Law; Founder, Chairman of the Board and Director (1968 to present), President and Chief Executive Officer (1968 to 2013) of Monmouth Real Estate Investment Corporation, an affiliated company. As our founder and Chairman, Mr. Landy's unparalleled experience in real estate investing is the primary reason, among others, why Mr. Landy serves on our Board.	1968
Samuel A. Landy	58		<b>President and Chief Executive Officer (1995 to present), Vice President (1991-1995) and Director.</b> Attorney at Law; Director (1989 to present) of Monmouth Real Estate Investment Corporation, an affiliated company. Mr. Landy's role as our President and Chief Executive Officer and his extensive experience in real estate investment, operations management and REIT leadership is the primary reason, among others, why Mr. Landy serves on our Board.	1992
Stuart D. Levy	49		<b>Independent Director.</b> Vice President in the Real Estate Finance Group at Helaba-Landesbank Hessen-Thuringen (2006 to present). Mr. Levy's extensive real estate background is the primary reason, among others, why Mr. Levy serves on our Board.	2011

Five of the Company’s directors are also directors of Monmouth Real Estate Investment Corporation (“MREIC”), a publicly-owned affiliate of the Company, which engages in the ownership and operation of net-leased industrial properties subject to long-term leases primarily to investment grade tenants.

**Other Named Executive Officers of the Company**

		<b>Present Position with the Company; Business</b>	
		<b>Experience During Past Five Years; Other</b>	
<b>Officer</b>	<b>Age</b>	<b>Directorships</b>	<b>Director Since</b>
Craig Koster	43	<b>General Counsel and Secretary (2015 to present), In-house Counsel (2012 to 2014).</b> Attorney at Law (2001 to present); Assistant Corporation Counsel at the New York City Law Department (2007 to 2012).	N/A
Brett Taft	29	<b>Vice President (2016 to present), Vice President-Acquisition and Property Integration (2013 to 2016).</b> Member of the Board of Directors for CentraState Healthcare Foundation (2017 to present).	N/A

**CORPORATE GOVERNANCE, ESG AND BOARD MATTERS**

UMH Properties, Inc. was incorporated in 1968. We believe that good corporate governance and robust ESG policies have been an essential element of the Company’s successful history. We are committed to maintaining sound corporate governance principles and ESG policies. The Board of Directors has periodically updated and approved formal Corporate Governance Guidelines that address the qualifications and responsibilities of directors, director independence, committee structure and responsibilities, and interactions with management, among other matters. The Corporate Governance Guidelines can be found under the “Corporate Governance” tab of the Company’s investor website: [www.umh.reit](http://www.umh.reit). Together with the charter and bylaws of the Company and the charters of the Board’s committees, the Corporate Governance Guidelines provide the framework for the governance of the Company.

## Substantial Insider Ownership

The aggregate stock ownership of Company directors and executive officers represents approximately 11% of the Company's outstanding shares, which currently represents the largest block of shareholders. This substantial ownership clearly aligns management's interests with those of our shareholders.

## Board Leadership Structure and Role in Risk Oversight

Eugene W. Landy is the Chairman of the Board of Directors. Samuel A. Landy, the Company's President and Chief Executive Officer, is also a member of the Board of Directors. The Company believes that this structure helps ensure critical and independent thinking with respect to the Company's strategy and performance, while ensuring that management's insight is directly available to the directors in their deliberations. The Board of Directors has selected an independent Director, Matthew I. Hirsch, to serve as Presiding Director, in which capacity Mr. Hirsch presides at executive sessions of the independent non-management directors. The Board reviews the structure of the Board and Company leadership regularly as part of the succession planning process. At present, our Board believes that this structure is appropriate and that it facilitates independent oversight of management.

The Board of Directors oversees the Company's enterprise-wide approach to the major risks facing the Company and oversees the Company's policies for assessing and managing its exposure to risk. The Board periodically reviews these risks and the Company's risk management processes. The Board also considers risk in evaluating the Company's strategy. The Board's responsibilities include reviewing the Company's practices with respect to risk assessment and risk management and reviewing contingent liabilities and risks that may be material to the Company. The Audit Committee reviews the Company's financial and compliance risks and major legislative and regulatory developments which could materially impact the Company. The Compensation Committee oversees management's assessment of whether the Company's compensation structure, policies and programs create risks that are reasonably likely to have a material adverse effect on the Company.

## Board Independence

The Company's Corporate Governance Guidelines include specific Director Independence Standards that comply with applicable rules of the SEC and the listing standards of the NYSE. The Board requires that at least a majority of its directors satisfy this definition of independence. The Board of Directors has considered business and other relationships, arrangements and other transactions between the Company and each of its Directors, including information provided to the Company by the directors. Based upon its review, the Board of Directors has determined that all of its Directors, other than Ms. Anna T. Chew and Messrs. Eugene W. Landy, Michael P. Landy and Samuel A. Landy, are independent, consistent with the Corporate Governance Guidelines. The Corporate Governance

Guidelines, which incorporate the NYSE Director Independence Standards, are available at the Company's website located at [www.umh.reit](http://www.umh.reit) and are available in print upon request.

#### Committees of the Board of Directors and Meeting Attendance

The Board of Directors had four meetings during the last year. Each director attended all of the meetings of the Board of Directors and of meetings of the Committees on which he or she served. The Company does not have a policy concerning directors' attendance at the Annual Meeting of Shareholders. Four directors attended the Company's 2018 Annual Meeting of Shareholders.

The Company has a standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee of the Board of Directors. Each of these committees is composed exclusively of independent directors.

## Audit Committee

The Audit Committee's responsibilities include reviewing and overseeing financial reporting, policies and procedures and internal controls, retaining the independent registered public accounting firm, approving the audit fees, and monitoring the qualifications, independence and performance of the Company's independent registered public accounting firm. It also oversees the internal audit function, legal and regulatory compliance, establishing procedures for complaints received regarding the Company's accounting, internal accounting controls and auditing matters. In addition, the Audit Committee prepares the Audit Committee Report which is included in the Company's annual proxy statements. The Audit Committee had five meetings during the year ended December 31, 2018, including an executive session with the independent registered public accounting firm, which management did not attend. The Audit Committee operates under the Audit Committee Charter which can be found under the "Corporate Governance" tab of the Company's investor website: [www.umh.reit](http://www.umh.reit).

The current members of the Company's Audit Committee are Jeffrey A. Carus, Stuart D. Levy, Kenneth K. Quigley, Jr. and Stephen B. Wolgin (who serves as the Chairman of the Audit Committee). The Board has determined that each member of the Audit Committee is "independent" as defined by the rules of the SEC and the listing standards of the NYSE, is able to read and understand fundamental financial statements, is "financially literate" within the meaning of the rules of the NYSE and is an "audit committee financial expert" within the meaning of the rules of the SEC.

## Compensation Committee

The Compensation Committee's responsibilities include (1) evaluating the Chief Executive Officer's and other named executive officers' performance in light of the Company's goals and objectives and determining the Chief Executive Officer's and other named executive officers' compensation, which includes base salary and bonus; and (2) administering the Company's Amended and Restated 2013 Incentive Award Plan and predecessor plans. The Compensation Committee had at least one meeting during the year ended December 31, 2018. The current members of the Compensation Committee are Jeffrey A. Carus (who serves as Chairman of the Compensation Committee), Stuart D. Levy, James E. Mitchell, and Stephen B. Wolgin. The Board has determined that each member of the Compensation Committee is independent as defined by the rules of the SEC and the listing standards of the NYSE. The Compensation Committee operates under the Compensation Committee Charter which can be found under the "Corporate Governance" tab of the Company's investor website: [www.umh.reit](http://www.umh.reit).

## Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee identifies, considers and recommends candidates to serve as members of the Board of Directors and makes recommendations regarding the structure and composition of the Board

of Directors and Committees. The Nominating and Corporate Governance Committee also develops and recommends to the Board corporate governance guidelines and, consistent with such guidelines, oversees the evaluation of Board and management. The Nominating and Corporate Governance Committee had at least one meeting during the year ended December 31, 2018. The current members of the Nominating and Corporate Governance Committee are Matthew I. Hirsch, Stuart D. Levy, James E. Mitchell, and Stephen B. Wolgin (who serves as the Chairman of the Nominating and Corporate Governance Committee). The Board has determined that each member of the Nominating and Corporate Governance Committee is “independent” as defined by the rules of the SEC and the listing standards of the NYSE. The Nominating and Corporate Governance Committee operates under its charter which can be found under the “Corporate Governance” tab of the Company’s investor website: *www.umh.reit*.



The principal function of the Nominating and Corporate Governance Committee is to review and select candidates for nomination to the Board of Directors. The Nominating and Corporate Governance Committee will consider for recommendation as nominees appropriate individuals whose names are submitted in writing by a shareholder and will evaluate them using the same criteria as that used for other candidates. See “Shareholder Communications” below for more information.

The Nominating and Corporate Governance Committee has established a process for identifying and evaluating prospective nominees for director. The Nominating and Corporate Governance Committee will annually assess the qualifications, expertise, performance and willingness to serve of existing directors. If at this time or at any other time during the year the Board of Directors determines a need to add a new director with specific qualifications or to fill a vacancy on the Board, the Chair of the Nominating and Corporate Governance Committee will then initiate the search, seeking input from other directors and senior management, considering nominees previously submitted by shareholders, and, if the Nominating and Corporate Governance Committee deems necessary or appropriate, hiring a search firm. The Nominating and Corporate Governance Committee considers diversity of background and personal experience in identifying director candidates. An initial slate of candidates satisfying the specific qualifications, if any, and otherwise qualifying for membership on the Board, will then be identified and presented to the Nominating and Corporate Governance Committee by the Committee Chairman. The Nominating and Corporate Governance Committee will then prioritize the candidates and determine if the Nominating and Corporate Governance Committee members, other directors or senior management have relationships with the preferred candidates and can initiate contact with the candidate. To the extent feasible, all of the members of the Nominating and Corporate Governance Committee, the President and Chief Executive Officer and the Chairman of the Board will interview the prospective candidate(s). Evaluations and recommendations of the interviewers are submitted to the Nominating and Corporate Governance Committee for final evaluation. The Nominating and Corporate Governance Committee will then meet to consider such recommendations and to select the final candidate(s) to recommend to the Board of Directors as nominees. The Nominating and Corporate Governance Committee will evaluate all potential nominees for director, including nominees recommended by a shareholder, on the same basis.

To date, there are no third parties being compensated for identifying and evaluating candidates.

### Independent Director Meetings

The Company's independent directors, as defined under the listing standards of the NYSE, have established a policy to meet separately from the other directors in a regularly scheduled executive session at least annually and at such additional times as may be deemed appropriate by the Company's independent directors. The independent directors had at least one meeting during the year ended December 31, 2018. The Board of Directors has selected an independent director, Matthew I. Hirsch, to serve as Presiding Director, in which capacity Mr. Hirsch presides at executive session(s) of the independent directors.

### Shareholder Communications

UMH Properties, Inc. believes that effective corporate governance should include regular constructive discussions with our shareholders. We have a proactive engagement process that encourages feedback from our shareholders. This feedback helps shape our governance practices. Shareholders and other interested parties who desire to contact the Company's Board of Directors may do so by writing to: Board of Directors, c/o Secretary, UMH Properties, Inc., 3499 Route 9 North, Suite 3-C, Freehold, NJ 07728. Communications received will be distributed to the Chairperson of the appropriate committee of the Board depending on the facts and circumstances outlined in the communication. Shareholders and other interested parties also may direct communications solely to the Independent Directors of the Company by addressing such communications to the Independent Directors, c/o Secretary, at the address set forth above. In addition, the Board of Directors maintains special procedures for the receipt, retention and treatment of complaints that may be received by the Company regarding accounting, internal accounting controls or auditing matters and for the submission by employees of the Company, on a confidential and anonymous basis, of concerns regarding questionable accounting or auditing matters. Such communications may be made by writing to the Audit Committee of the Board of Directors, c/o Secretary, at the address set forth above. Any such communication marked "Confidential" will be forwarded by the Secretary, unopened, to the Chairman of the Audit Committee.

### Corporate Governance Guidelines

The Company has adopted Corporate Governance Guidelines which apply to all directors, officers and employees of the Company. These guidelines are posted under the "Corporate Governance" tab of the Company's investor website: [www.umh.reit](http://www.umh.reit). Included in the guidelines is the requirement for the Board of Directors to conduct, at least annually, a self-evaluation to determine whether it and its Committees are functioning effectively. The Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee also perform annual reviews of their respective performance and compliance with their charters.

Code of Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics, which applies to all directors, officers, and employees of the Company, including its principal executive officer and principal financial officer. This code is posted under the “Corporate Governance” tab of the Company’s investor website: [www.umh.reit](http://www.umh.reit). During 2018 and through the date of this proxy, no violations of the Code of Business Conduct and Ethics were reported nor were any waivers granted.

### **Vendor Code of Conduct**

The Company has adopted a Vendor Code of Conduct that applies to individuals and firms that provide services to the Company. This code is posted under the “Corporate Governance” tab of the Company’s investor website: [www.umh.reit](http://www.umh.reit). In addition to requiring all vendors to comply with all applicable laws and professional standards, the code sets forth a procedure for reporting misconduct to the Company’s General Counsel.

### **Anti-Hedging Policy**

The Company considers it inappropriate for any director, officer or employee to enter into speculative transactions in Company securities. Such transactions, while allowing the holder to own Company securities without the full risks and rewards of ownership, potentially separate the holder’s interests from those of other Company shareholders. Therefore, the Company prohibits the purchase or sale of puts, calls, options or other derivative securities based on the Company’s securities by directors, officers or employees. Our policy also prohibits hedging or monetization transactions, such as forward sale contracts, in which the holder continues to own the underlying Company security without all the risks or rewards of ownership. The Anti-Hedging Policy is posted under the “Corporate Governance” tab of the Company’s investor website: [www.umh.reit](http://www.umh.reit).

As of the date of this Proxy Statement, to the best of the Company’s knowledge, no director, officer or employee has entered into speculative transactions in Company securities.

### **CEO Stock Ownership Requirement Policy**

Our Chief Executive Officer is required by Company policy to own shares of the Company’s common stock having a value equal to at least six times his or her base salary. The Chief Executive Officer’s stock ownership levels will be evaluated on an annual basis. The value of stock holdings will be calculated based on the closing price of a share of common stock of the Company on the last trading day of the year, which was \$11.84 on December 31, 2018. Shares owned by a director or officer include: shares owned outright by the director or officer or by his or her immediate family members residing in the same household; shares held in trust or under a similar arrangement for the economic benefit of the director or officer; restricted or unrestricted stock issued as part of the director or officer’s compensation, whether or not vested; shares acquired upon option exercise that the director or executive officer continues to own; and shares held for the director or executive officer’s account in a 401(k) or other retirement plan.

If the Chief Executive Officer meets the ownership requirements at the time of the annual review, he or she will be in compliance with these requirements until the next annual review. Changes in the Company's stock price or changes to base salary will not affect compliance status for the remainder of that year. The Nominating and Corporate Governance Committee has authority to administer and interpret these requirements.

As of December 31, 2018, the Company's Chief Executive Officer, Mr. Samuel A. Landy, owned shares of the Company's common stock valued at \$7,959,916, which is over 12 times his base salary, and in excess of 4 times this ownership requirement.

### **Director Stock Ownership Guidelines**

The Company recommends that each individual serving as a director on the Board of the Company own shares of the Company's common stock having a value equal to at least three times the director's annual cash retainer from the Company. The value of stock holdings will be calculated based on the closing price of a share of common stock of the Company on the last trading day of the Company's fiscal year ending prior to the annual review. Stock that counts towards satisfaction of the Company's Director Stock Ownership Guidelines includes: a) Shares owned outright by the director or his or her immediate family members residing in the same household; b) Shares held in trust or under a similar arrangement for the economic benefit of the director; c) Restricted or unrestricted stock issued as part of a director's compensation, whether or not vested; and d) Shares acquired upon option exercise that the participant continues to own. The Nominating and Corporate Governance Committee has authority to administer and interpret these guidelines and will include these guidelines as part of its annual review of directors. Currently, seven out of the ten directors satisfy this requirement.

### **Environmental and Social Policy**

UMH Properties, Inc. is committed to incorporating environmental and social considerations into its business practices to create value for its shareholders and enhance the communities where our residents live.

### **Environmental**

UMH recognizes our obligation to reduce our impact on the environment and to conserve our natural resources. As such, we have invested in technology and other sustainable practices.

### ***Our Homes***

All manufactured homes that are brought into our communities are constructed in accordance with the Federal Manufactured Homes Construction and Safety Standards ("HUD Code"). The HUD Code regulates the overall quality of the product including, strength, transportability, energy efficiency, fire resistance, heating, plumbing and electrical systems. It is the only federally regulated building code. The HUD Code was revised in the early 1990s to increase energy efficiency and ventilation standards, as well as improving wind-resistance standards for areas that are prone to hurricane-force winds. The HUD Code's strict requirements regarding insulation often results in manufactured homes being more energy efficient than conventional homes.

Manufactured homes are constructed in controlled, factory environments that are free from external elements. This, along with technological advances and greater flexibility in the construction process, reduces energy usage and waste associated with the production of manufactured homes compared to other forms of conventional housing.

Many of the homes in our communities are ENERGY STAR Certified Homes and/or contain Energy Star appliances which reduce energy usage. ENERGY STAR Certified Homes are more energy efficient than homes built to the minimum code requirements and meet the EPA's strict guidelines for energy efficiency. They feature effective insulation that meets or exceeds national code requirements, high-performance windows that help keep heat in during winter and out during the summer, tight construction and ducts that helps eliminate drafts, moisture, dust, pests and pollen and energy-efficient heating and cooling systems that use less energy.

### *Our Conservation Practices*

We have been aggressively installing water meters on homes in many our communities and submetering has dramatically reduced water consumption and helped to promote water conservation throughout our communities.

Our communities' landscaping prominently features trees and shrubbery which improve air quality, moderate the effects of sun and wind, preserve soil and support wildlife.

Recycling bins are featured in our corporate offices as well as in our communities to recycle paper, plastic, bottles and cans.

We are introducing NEST Thermostats into homes in our communities so that residents can obtain the savings provided by automatically managing home heating and cooling to maximize comfort and minimize energy use.

We encourage our suppliers and contractors to minimize their impact on the environment including pollution, waste and hazardous materials.

We continually upgrade our communities' infrastructures by replacing water lines to eliminate leakage and conserve water.

Many of our manufacturers are employing green construction practices and utilizing renewable materials.

### **Social**

UMH believes in enriching the lives of the people impacted by our Company. These include not only our employees and our residents, but also our neighbors.

### *Our Employees*

We value diversity at every level of our workforce. More than half of our executive management team is diverse on the basis of gender, religion, race or ethnicity. We endeavor to maintain workplaces that are free from discrimination or harassment on the basis of race, sex, color, national origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, or any other status protected by applicable law.

We conduct annual training to prevent harassment and discrimination and monitor employee conduct year-round. Employees are advised to notify the Legal Department of any violations of these policies. We do not tolerate retaliation of any kind.





We are committed to equal opportunity. The basis for recruitment, hiring, development, training, compensation and advancement at the Company is qualifications, performance, skills and experience.

Our employees are fairly compensated and routinely recognized for outstanding performance. We work to ensure compliance with applicable labor and employment laws.

We continually assess employee satisfaction and engagement.

The Company offers a robust wellness program to its employees that incorporates health benefits, including incentives for enrolling in exercise classes and for gym memberships. This encourages our employees to improve their mental and physical well-being.

Our employees are offered regular opportunities to participate in professional development programs which focus on building their skills and capabilities. They have the right to freedom of association and collective bargaining.

We adhere to a Code of Business Conduct and Ethics that extends to our employees and vendors, as applicable. Employees are routinely encouraged to notify the Legal Department of any claims of violations of the Code. All claims will be investigated and addressed without fear of reprisal.

We afford all employees meaningful whistleblower protections.

We are committed to maintaining workplaces that are free from violence, intimidation and other unsafe or disruptive conditions. Our policy is to provide a safe and healthy workplace and comply with applicable safety and health laws and regulations. These and other workforce policies extend to our suppliers and vendors, as applicable.

#### *Our Residents*

We are a source of quality, affordable housing for hardworking Americans.

We offer assistance to our long-term residents who face financial or medical difficulties in an effort to help them remain living in the community.

We take responsible actions to promote the security and privacy of our residents' data.

#### *Our Neighbors*

We regularly contribute to charities, including the Boy Scouts of America, Boys and Girls clubs, local chambers of commerce and the Special Strides Therapeutic Riding Center which is a non-profit organization devoted to improving the lives of individuals with special needs.

We support continuing education through our contributions to colleges and universities, including Rutgers University.

We worked in conjunction with a local high school to provide students with valuable job experience to further their future careers.

We contribute to branches of our Armed Forces, including the U.S. Merchant Marine Academy.

Many of our communities host dinners for local law enforcement and fire departments to thank them for their service and to enhance community relations.

Some of our communities provide, free of charge, backpacks with school supplies to school children living in our communities.

Our employees are encouraged to devote their time and resources to community activities and charitable giving.

Our Company refrains from using Company funds for political purposes.

We do not engage in deceptive or unfair marketing, labeling or advertising.

#### *Human Rights*

Our Company values respect for human rights in our relationships with our employees, vendors, residents and other business partners.

Our commitment to human rights extends to our suppliers, vendors and business partners, as applicable.

Employees are instructed about our human rights policy, which extends to all protected classes, and are encouraged to notify the Legal Department of any claims of violations of this policy.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table lists information with respect to the beneficial ownership of the Company's common stock ("Common Shares") as of March 29, 2019 by:

each person known by the Company to beneficially own more than five percent of the Company's outstanding Common Shares;

each of the Company's directors;

each of the Company's named executive officers; and

all of the Company's named executive officers and directors as a group.

Unless otherwise indicated, the person or persons named below have sole voting and investment power over the shares indicated and that person's address is c/o UMH Properties, Inc., Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, New Jersey 07728. In determining the number and percentage of Shares beneficially owned by each person, Shares that may be acquired by that person under options exercisable within 60 days of March 29, 2019 are deemed beneficially owned by that person and are deemed outstanding for purposes of determining the total number of outstanding Shares for that person and are not deemed outstanding for that purpose for all other shareholders.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percentage of Shares Outstanding (2)	
The Vanguard Group, Inc. P.O. Box 2600 Valley Forge, PA 19482 BlackRock, Inc.	3,419,981 (3)	8.73	%
55 East 52 <sup>nd</sup> Street  New York, NY 10055	2,632,656 (4)	6.72	%
Columbia Management Investment Advisers, LLC 225 Franklin St. Boston, MA 02110	2,013,516 (5)	5.14	%
Jeffrey A. Carus	7,544 (6)	*	

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Anna T. Chew	544,322	(7)	1.38	%
Matthew I. Hirsch	22,568	(8)	*	
Craig Koster	71,252	(9)	*	
Eugene W. Landy	1,751,470	(10)	4.41	%
Samuel A. Landy	841,017	(11)	2.13	%
Michael P. Landy	349,411	(12)	*	
Stuart Levy	4,472	(13)	*	
James E. Mitchell	287,676	(14)	*	
Kenneth K. Quigley, Jr.	6,674	(15)	*	
Brett Taft	86,155	(16)	*	
Stephen B. Wolgin	29,311	(17)	*	
UMH Properties, Inc. 401(k) Plan (UMH 401(k) Plan)	370,390	(18)	*	
Directors and Officers as a group	4,372,262		10.84	%

\*Less than 1%

Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the  
(1) Company believes that the persons named in the table have sole voting and investment power with respect to all Shares listed. Except as indicated in the footnotes to this table, none of the shares have been pledged as collateral.

(2) Based on the number of Shares outstanding on March 29, 2019 which was 39,158,261 Shares.

Based on Schedule 13G as of December 31, 2018, filed by The Vanguard Group, Inc., the company owns  
(3) 3,419,981 Shares. This filing with the SEC by The Vanguard Group indicates that Vanguard has sole voting power for 63,057 Shares and shared voting power for 21,900 Shares.

Based on Schedule 13G as of December 31, 2018, filed by BlackRock, Inc., the company owns 2,632,656 Shares.  
(4) This filing with the SEC by BlackRock, Inc. indicates that BlackRock has sole voting power for 2,551,289 Shares, and sole dispositive power for 2,632,656 Shares.

Based on Schedule 13G as of December 31, 2018, filed by Columbia Management Investment Advisers, LLC., the company owns 2,013,516 Shares. This filing with the SEC by Columbia Management Investment Advisers  
(5) indicates that the company has shared voting power for 2,012,998 Shares, and shared dispositive power for 2,012,998 Shares.

Includes (a) 363 Shares in custodial accounts for Mr. Carus' minor children under the NJ Uniform Transfers to  
(6) Minors Act which he disclaims any beneficial interest but has power to vote; and (b) 1,358 Shares of unvested restricted stock.

Includes (a) 364,322 Shares owned jointly with Ms. Chew's husband; (b) 180,000 Shares issuable upon exercise of  
(7) stock options; and (c) 52,903 Shares of unvested restricted stock. Excludes 35,686 Shares held in the UMH 401(k) Plan. Ms. Chew is a co-trustee of the UMH 401(k) Plan and has shared voting power over the Common Shares held by the UMH 401(k) Plan. She, however, disclaims beneficial ownership of all of the Shares held by the UMH 401(k) Plan, except for the 35,686 Shares held by the UMH 401(k) Plan for her benefit. See Note 18 below for information regarding Shares held by the UMH 401(k) Plan.

(8) Includes (a) 19,270 Shares owned jointly with Mr. Hirsch's wife; (b) 3,297 Shares owned by Mr. Hirsch's wife; and (c) 1,358 shares of unvested restricted stock.

Includes 66,500 Shares issuable upon exercise of stock options. Excludes 3,127 Shares held in the UMH 401(k)  
(9) Plan. See Note 18 below for information regarding Shares held by the UMH 401(k) Plan. Excludes 20,000 Shares issuable upon the exercise of a stock option, which stock option is not exercisable until January 2, 2020.

(10) Includes (a) 99,872 Shares owned by Mr. Eugene Landy's wife; (b) 172,608 Shares held by Landy Investments, Ltd. for which Mr. Landy has power to vote; (c) 54,913 Shares held in the Landy & Landy Employees' Profit Sharing Plan of which Mr. Landy is a Trustee with power to vote; (d) 45,561 Shares held in the Landy & Landy Employees' Pension Plan of which Mr. Landy is a Trustee with power to vote; (e) 97,880 Shares held in the

Eugene W. Landy and Gloria Landy Family Foundation, a charitable trust for which Mr. Landy has power to vote; (f) 23,670 Shares held in Windsor Industrial Park Associates for which Mr. Landy has power to vote; (g) 33,823 Shares held in Juniper Plaza Associates for which Mr. Landy has power to vote; (h) 600,000 Shares issuable upon exercise of stock options (i) 384,250 Shares pledged in a margin account; (j) 277,559 Shares pledged as security for loans; and (k) 15,027 Shares of unvested restricted stock.

(11) Includes (a) 42,926 Shares owned with Mr. Samuel Landy's wife; (b) 16,221 Shares in the Samuel Landy Limited Partnership; (c) 48,000 Shares in the EWL Grandchildren Fund LLC of which Mr. Landy is a co-manager; (d) 250,000 Shares issuable upon exercise of stock options; (e) 90,620 Shares pledged in a margin account; (f) 378,436 Shares pledged as security for loans; and (g) 72,279 Shares of unvested restricted stock. Excludes 82,768 Shares held in the UMH 401(k) Plan. Mr. Landy is a co-trustee of the UMH 401(k) Plan and has shared voting power over the Common Shares held by the UMH 401(k) Plan. He, however, disclaims beneficial ownership of all of the Common Shares held by the UMH 401(k) Plan, except for the 82,768 Shares held by the UMH 401(k) Plan for his benefit. See Note 18 below for information regarding Shares held by the UMH 401(k) Plan.

(12) Includes (a) 16,835 Shares owned by Mr. Michael Landy's wife; (b) 62,202 Shares in custodial accounts for Mr. Landy's children under the NJ Uniform Transfers to Minors Act in which he disclaims any beneficial interest but has power to vote; (c) 48,000 Shares in the EWL Grandchildren Fund LLC of which Mr. Landy is a co-manager; (d) 81,500 Shares pledged in a margin account; (e) 55,000 Shares pledged as security for loans; and (f) 1,358 Shares of unvested restricted stock. Excludes 29,585 Shares held in the UMH 401(k) Plan. See Note 18 below for information regarding Shares held by the UMH 401(k) Plan.

(13) Includes 1,358 Shares of unvested restricted stock.

(14) Includes (a) 232,728 Shares held by Mitchell Partners in which Mr. Mitchell has a beneficial interest; and (b) 1,358 Shares of unvested restricted stock. In addition to the Common Shares reported, Mr. Mitchell also holds 8,000 of the Preferred B Shares and 3,000 of the Preferred C Shares.

(15) Includes 867 Shares of unvested restricted stock.

(16) Includes 86,000 Shares issuable upon exercise of stock options. Excludes 2,277 Shares held in the UMH 401(k) Plan. See Note 18 below for information regarding Shares held by the UMH 401(k) Plan. Excludes 40,000 Shares issuable upon the exercise of a stock option, which stock option is not exercisable until January 2, 2020.

(17) Includes (a) 1,463 Shares owned by Mr. Wolgin's wife; and (b) 1,358 Shares of unvested restricted stock.

(18) Includes 370,390 Shares held by the UMH 401(k) Plan. Ms. Anna T. Chew and Mr. Samuel A. Landy share voting power over the Shares held by the UMH 401(k) Plan.



## PROPOSAL 2

### **RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

At the Annual Meeting, the Company's common shareholders will be asked to consider and vote on a proposal to ratify the appointment of PKF O'Connor Davies, LLP ("PKF") as the Company's independent registered public accounting firm for the year ending December 31, 2019. The Company's charter and bylaws do not require that its shareholders ratify the appointment of PKF as the Company's independent registered public accounting firm. The Company is asking its common shareholders to ratify this appointment as a matter of good corporate practice. If the Company's common shareholders do not ratify the appointment of PKF, the Company's Audit Committee will reconsider whether to retain PKF as the Company's independent registered public accounting firm, but may determine to retain PKF. Even if the appointment of PKF is ratified by the Company's common shareholders, the Audit Committee may change the appointment at any time during the year if it determines that a change would be in the best interests of the Company. The Company expects a representative of PKF to be present at the Annual Meeting to make a statement if he or she desires to do so and to respond to appropriate questions.

#### **Vote Required:**

Approval of the ratification of the appointment of PKF O'Connor Davies, LLP as our independent registered public accounting firm for the year ending December 31, 2019 requires the affirmative vote of a majority of the votes cast on the proposal.

#### Board Recommendation:

THE COMPANY'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS YOU VOTE "*FOR*" THE PROPOSAL TO RATIFY THE APPOINTMENT OF PKF O'CONNOR DAVIES, LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2019

#### REPORT OF THE AUDIT COMMITTEE

The Audit Committee (the “Audit Committee”) of the Board of Directors (the “Board of Directors”) of UMH Properties, Inc. (the “Company”) operates under a written charter which was amended in January 2013. The amended charter is available on the Company’s website at *www.umh.reit*.

The Company has an Audit Committee consisting of four “independent” Directors, as defined by the listing standards of the New York Stock Exchange. The Audit Committee’s role is to act on behalf of the Board of Directors in the oversight of all material aspects of the Company’s reporting, internal control and audit functions.

We have reviewed and discussed with management the Company’s audited financial statements as of and for the year ended December 31, 2018.

We have discussed with the independent registered public accounting firm the matters required to be discussed under Auditing Standard No. 1301, “Communications with Audit Committees” issued by the Public Company Accounting Oversight Board (“PCAOB”).

We have received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by PCAOB Ethics and Independence Rule 3526, “Communications with Audit Committees Concerning Independence”, and we have discussed with the independent registered public accounting firm, the independent registered public accounting firm’s independence.

Based on the reviews and discussions referred to above, we recommended to the Board of Directors that the audited financial statements referred to above be included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 for filing with the SEC.

Audit Committee:

Jeffrey A. Carus

Stuart D. Levy

Kenneth K. Quigley, Jr.

Stephen B. Wolgin (Chairman)

#### FEES BILLED BY INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PKF O’Connor Davies, LLP served as the Company’s independent registered public accounting firm for the years ended December 31, 2018 and 2017. The following are fees billed by and accrued to PKF O’Connor Davies, LLP in connection with services rendered for the years ended December 31, 2018 and 2017:

	2018	2017
Audit Fees	\$198,800	\$192,100
Audit-Related Fees	20,070	18,575
Tax Fees	67,500	67,000
All Other Fees	-0-	-0-

Total Fees            \$286,370   \$277,675

*Audit fees* include professional services rendered for the audit of the Company's annual financial statements, management's assessment of internal controls, and reviews of financial statements included in the Company's quarterly reports on Form 10-Q.

*Audit-related fees* include services that are normally provided by the Company's independent auditors in connection with statutory and regulatory filings, such as consents and assistance with and review of documents filed with the Securities and Exchange Commission.

*Tax fees* include professional services rendered for the preparation of the Company's federal and state corporate tax returns and supporting schedules as may be required by the Internal Revenue Service and applicable state taxing authorities. Tax fees also include other work directly affecting or supporting the payment of taxes, including planning and research of various tax issues.

*All other fees* include fees for all other services provided by PKF, other than the services reported above as Audit Fees, Audit-Related Fees or Tax Fees. There were no amounts billed or incurred related to other fees in the fiscal years ended December 31, 2018 or 2017, respectively.

All of the services performed by PKF O'Connor Davies, LLP for the Company during 2018, including audit fees, audit-related fees, tax fees and all other fees described above, were either expressly pre-approved by the Audit Committee or were pre-approved in accordance with the Audit Committee Pre-Approval Policy, and the Audit Committee was provided with regular updates as to the nature of such services and fees paid for such services.

#### Audit Committee Pre-Approval Policy

The Audit Committee has adopted a policy for the pre-approval of audit and permitted non-audit services provided by the Company's independent registered public accounting firm. The policy requires that all services provided by our principal independent registered public accounting firm to the Company, including audit services, audit-related services, tax services and other services, must be pre-approved by the Audit Committee, and all have been so pre-approved. The pre-approval requirements do not prohibit day-to-day normal tax consulting services, which matters will not exceed \$10,000 in the aggregate.

The Audit Committee has determined that the provision of the non-audit services described above is compatible with maintaining PKF O'Connor Davies, LLP's independence.

## Compensation Discussion and Analysis

The following table highlights important aspects of our executive compensation program, which promotes good corporate governance and serves the interests of our shareholders.

### **Highlights**

Cash bonus program for CEO and CFO tied to objective financial performance goals

Total executive compensation for our CEO is below the average for CEOs across all property sectors in the REIT industry based upon the 2018 NAREIT Compensation Survey.

Robust stock ownership and anti-hedging policy:

CEO requirement: 6x base salary

Director guidelines: 3x annual cash fee

Directors, officers and employees are prohibited from the purchase or sale of puts, calls, options or other derivative securities, and from hedging or monetization transactions, such as forward sale contracts, in which the shareholder continues to own the underlying Company security without all the risks or rewards of ownership

No excessive perquisites or other benefits

No repricing or buyout of stock options

No excise tax gross-ups

Overview of Compensation Program

The Compensation Committee (for purposes of this analysis, the “Committee”) of the Board has been appointed to implement the Board’s responsibilities relating to the compensation of the Company’s named executive officers. The Committee has the overall responsibility for approving and evaluating the executive officer compensation plans, policies and programs of the Company. The Committee’s primary objectives include serving as an independent and objective party to review such compensation plans, policies and programs. The Committee has not retained or obtained the advice of a compensation committee consultant for determining or recommending the amount of executive or director compensation.

Throughout this report, the individuals who served during 2018 as the Company's Chairman of the Board, President and Chief Executive Officer, Vice President and Chief Financial Officer and other Officers included in the Summary Compensation Table presented below in this Proxy Statement are sometimes referred to in this Proxy Statement as the "named executive officers."

### **Compensation Philosophy and Objectives**

The Committee believes that a well-designed compensation program should align the goals of the President and Chief Executive Officer and other named executive officers with the goals of the shareholders, and that a significant part of each executive's compensation, over the long term, should be dependent upon the value created for shareholders. In addition, all executives should be held accountable through their compensation for the performance of the Company, and compensation levels should also reflect the executive's individual performance in an effort to encourage increased individual contributions to the Company's performance. The compensation philosophy, as reflected in the Company's employment agreements with its executives and the overall compensation program, is designed to motivate executives to focus on operating results and create long-term shareholder value by:

establishing a plan that attracts, retains and motivates executives through compensation that is competitive with a peer group of other publicly-traded real estate investment trusts, or REITs;

rewarding executives for individual accomplishments and achievements;

linking a portion of executives' compensation to the achievement of the Company's business plan by using measurements of the Company's operating results and shareholder return; and

building a pay-for-performance system that encourages and rewards successful initiatives within a team environment.

The salaries and bonuses in the Company's recently executed executive employment agreements are consistent with the Committee's philosophy and objectives.

The Committee believes that each of the above factors is important when determining compensation levels for named executive officers. The Committee reviews and approves the employment contracts for the Chairman of the Board, the President and Chief Executive Officer, and the Vice President and Chief Financial Officer, and reviews and approves the performance goals and objectives applicable to their performance-based compensation. The Committee annually evaluates performance of these executive officers and other named executive officers in light of those goals and objectives. The Committee considers the Company's performance, relative stockholder return, the total compensation provided to comparable officers at similarly-situated companies, and compensation given to named executive officers in prior years.





The Committee believes executive compensation packages provided by the Company to its named executive officers should include both base salaries and annual bonus awards that reward corporate and individual performance, as well as give incentives to executives to meet or exceed established goals. As a result, an important portion of the Company's compensation program is comprised of discretionary bonuses and equity awards as determined by the Committee in recognition of individual accomplishments and achievements, as well as overall Company performance.

The Company uses the annual Compensation Survey published by NAREIT (the "Survey") as a guide to setting compensation levels. Participant company data is not presented in a manner that specifically identifies any named individual or company. The Survey details compensation by position type and company size with statistical salary and bonus information for each position. The sub-sets presented in the Survey used by the Committee for comparison are the residential property sector, entities with less than \$1.5 billion in equity market capitalization and entities with more than 300 but less than 750 full-time employees. The Company's salaries, bonus amounts and long-term compensation awards are compared to the ranges presented for reasonableness. The Committee believes executive compensation packages provided by the Company to its executive officers should include base salaries, annual bonuses and long-term compensation awards that reward corporate and individual performance, as well as give incentives to executives to meet or exceed established goals. As a result, an important portion of the Company's compensation program is comprised of discretionary bonuses and equity awards as determined by the Committee in recognition of individual accomplishments and achievements.

### **Role of Executive Officers in Compensation Decisions**

The Committee makes all final compensation decisions for the Company's named executive officers. The Chairman of the Board and the President and Chief Executive Officer annually review the performance of the other named executive officers and then present their conclusions and recommendations to the Committee with respect to base salary adjustments and annual cash bonus and stock option and restricted stock awards. The Committee exercises its own discretion in modifying any recommended adjustments or awards but does consider the recommendations from management who work closely with the other named executive officers.

### **Role of Grants of Stock Options and Restricted Stock in Compensation Analysis**

The Committee views the grant of stock options and restricted stock awards as a form of long-term compensation. The Committee believes that such grants promote the Company's goal of retaining key employees and align the key employee's interests with those of the Company's shareholders from a long-term perspective. The number of options or shares of restricted stock granted to each employee is determined by consideration of various factors including, but not limited to, the employee's contribution, title, responsibilities and years of service. The Committee takes outstanding awards of stock options and restricted stock into account in making its compensation determinations.



## **Role of Employment Agreements in Determining Executive Compensation**

Several of the Company's currently employed named executive officers are parties to employment agreements. These agreements provide for base salaries, bonuses and customary fringe benefits. The employment agreements also provide for certain severance benefits in the event the named executive officer's employment is terminated. Such severance benefits are designed to alleviate the financial impact of termination of employment, with the intent of providing for a stable work environment. Other key elements of the Company's compensation program for the named executive officers are stock options, restricted stock awards and other benefits. Each of these is addressed separately below. In determining initial compensation, the Committee considers all elements of a named executive officer's total compensation package in comparison to current market practices and other benefits. In reviewing and setting compensation for the named executive officers, the Committee takes the terms of the employment agreements into consideration.

## **Shareholder Advisory Vote**

One way to determine if the Company's compensation program reflects the interests of shareholders is through their nonbinding vote. At the Annual Meeting of Shareholders held on June 15, 2017, approximately 91% of votes cast (excluding broker non-votes) were voted in favor of our Say-On-Pay proposal, which we believe affirms our shareholders' support of our approach to our executive compensation program.

## **Base Salaries**

Base salaries are paid for ongoing performance throughout the year. In order to compete for and retain talented executives who are critical to the Company's long-term success, the Committee has determined that the base salaries of named executive officers should approximate those of executives of other equity REITs that compete with the Company for employees, investors and business, while also taking into account the named executive officers' performance and tenure and the Company's performance relative to its peer companies within the REIT industry using the Survey described above.

## **Bonuses**

### *Performance-based Cash Bonus Awards*

In addition to the provisions for base salaries under the terms of their employment agreements and discretionary cash bonuses awarded by the Committee in recognition of individual accomplishments and achievements, the President and Chief Executive Officer and the Vice President and Chief Financial Officer are entitled to receive annual cash bonuses for each year during the terms of each respective agreement. Bonuses are measured from the appropriate prior and current year-end audited financial statements as approved by management. As described below, 75% of the Cash and Restricted Stock Bonuses are based on the increase in Normalized Funds from Operations (FFO), which does not include any gains or losses from the stock portfolio.

For the President and Chief Executive Officer:

	Meet	Exceeds	Excels	
Normalized FFO Increase of	1%-9.99%	10%-19.99%	>20	%
Cash Bonus	\$942,000	\$1,177,000	\$1,412,000	

For the Vice President and Chief Financial Officer:

	Meet	Exceeds	Excels	
Normalized FFO Increase of	1%-9.99%	10%-19.99%	>20	%
Cash Bonus	\$754,000	\$943,000	\$1,131,000	

The remaining 25% of the cash bonuses will be at the Compensation Committee's discretion based on but not limited to Property NOI, growth in acquisitions, same store occupancy, G&A expense management and growth of rental homes.

The Committee also considers discretionary cash bonuses for the other named executive officers. Discretionary cash bonuses awarded to the other named executive officers are based on recommendations made by the President and Chief Executive Officer and Vice President and Chief Financial Officer, which are then considered and approved by the Committee in its discretion. The Company believes that short-term rewards in the form of cash bonuses to senior executives generally should reflect short-term results and should take into consideration both the profitability and performance of the Company and the performance of the individual, which may include comparing such individual's performance to the preceding year, reviewing the breadth and nature of the senior executives' responsibilities and valuing special contributions by each such individual. In evaluating performance of the Company annually for purposes of discretionary cash bonuses, the Committee considers a variety of factors, including, among others, FFO, Core FFO, Normalized FFO, net income, growth in asset size, occupancy and total return to shareholders. The Company considers FFO to be an important measure of an equity REIT's operating performance and has adopted the definition suggested by NAREIT, which defines FFO to mean net income computed in accordance with U.S. GAAP, excluding gains or losses from sales of property, plus real estate related depreciation and amortization. The Company defines Core FFO as FFO excluding acquisition costs, costs of early extinguishment of debt, change in the fair market value of marketable securities and costs associated with the redemption of preferred stock. The Company defines Normalized FFO as Core FFO excluding gains and losses realized on securities investments and certain non-recurring charges. The Company considers FFO, Core FFO and Normalized FFO to be meaningful, additional measures of operating performance primarily because they exclude the assumption that the value of its real estate assets diminishes predictably over time and because industry analysts have accepted these as performance measures.

Other factors considered include the employee's title and years of service. The employee's title generally reflects the employee's responsibilities and the employee's years of service may be considered in determining the level of bonus in

comparison to base salary. The Committee has declined to use specific performance formulas with respect to the other named executive officers, believing that with respect to Company performance, such formulas do not adequately account for many factors, including, among others, the relative performance of the Company compared to its competitors during variations in the economic cycle, and that with respect to individual performance, such formulas are not a substitute for the subjective evaluation by the Committee of a wide range of management and leadership skills of each of the senior executives.

In setting discretionary bonuses for 2018, the Committee considered the performance of the Chairman of the Board, the President and Chief Executive Officer and the Vice President and Chief Financial Officer and received the recommendations from the President and Chief Executive Officer and Vice President and Chief Financial Officer for the discretionary cash bonuses to be awarded to the other named executive officers. The Committee also considered management's report on the Company's 2018 achievements in financial performance, strategic growth and financial position, and the role of each named executive officer in delivering these achievements. The factors that were considered included the following progress that was made by the Company due to the efforts of management:

- Generated a 12% increase in Normalized FFO per share;
- Increased Rental and Related Income by 12%;
- Increased Community Net Operating Income ("NOI") by 13%;
- Improved our Operating Expense ratio by 50 basis points to 46.5%;
- Increased Same Property NOI by 7%;
- Increased Same Property Occupancy by 40 basis points from 82.6% to 83.0%;
- Increased home sales by 45%;
- Acquired 6 communities containing approximately 1,600 homesites for a total cost of \$59.1 million, bringing our total property portfolio to 118 manufactured home communities with approximately 21,500 developed homesites;
- Increased our rental home portfolio by 905 homes to approximately 6,500 total rental homes, representing an increase of 16%;
- Expanded and extended our existing unsecured revolving credit facility, increasing the available borrowings and reducing interest costs.
- Issued 2,000,000 shares of a new 6.375% Series D Cumulative Redeemable Preferred Stock, for net proceeds after deducting the underwriting discount and other estimated offering expenses, of approximately \$48 million; and
- Raised \$35.1 million through our Dividend Reinvestment and Stock Purchase Plan.

After considering the Company's 2018 achievements in financial performance, strategic growth and financial position, as outlined above, as well as the individual performance of the named executive officers, the Committee established the individual discretionary cash bonuses for the named executive officers based on the Company's overall performance and the named executive officers' individual contributions to these accomplishments.

## **Long-Term Equity Incentive Compensation**

### *Stock Options and Restricted Stock Awards*

The employment agreements for the President and Chief Executive Officer and the Vice President and Chief Financial Officer provides for the grant of restricted stock awards, based on the following:



For the President and Chief Executive Officer:

	Meet	Exceeds	Excels
Normalized FFO Increase of	1%-9.99%	10%-19.99%	>20%
Restricted Stock Award	43,800 shares	54,700 shares	65,600 shares

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For the Vice President and Chief Financial Officer:

	Meet	Exceeds	Excels
Normalized FFO Increase of	1%-9.99%	10%-19.99%	>20%
Restricted Stock Award	35,000 shares	43,800 shares	52,000 shares

Annual stock option Awards of up to 50,000 shares shall be granted to the President and Chief Executive Officer and the Vice President and Chief Financial Officer for the achievement of any of the bonus categories and or in combination with the Compensation Committee's discretion based on, but not limited to, Property NOI, growth in acquisitions, same store occupancy, G&A expense management and growth of rental homes.

Stock options and restricted stock awards to the other named executive officers are based on recommendations made by the President and Chief Executive Officer and Vice President and Chief Financial Officer. In making its decisions, the Committee does not use an established formula or focus on a specific performance target. The Committee recognizes that often outside forces beyond the control of management, such as economic conditions, changing real estate markets and other factors, may contribute to less favorable near term results even when sound strategic decisions have been made by the senior executives to position the Company for longer term profitability. Thus, the Committee also attempts to identify whether the senior executives are exercising the kind of judgment and making the types of decisions that will lead to future growth and enhanced asset value, even if the same are difficult to measure on a current basis. For example, in determining appropriate stock option and restricted stock awards, the Compensation Committee considers, among other matters, whether the senior executives have executed strategies that will provide adequate funding or appropriate borrowing capacity for future growth, whether acquisition strategies have been developed to ensure a future stream of reliable and increasing revenues for the Company, whether the selection of properties evidence appropriate risk management, including risks associated with real estate markets, and whether the administration of staff size and compensation appropriately balances the current and projected operating requirements of the Company with the need to effectively control overhead costs, while continuing to grow the Company.

In 2018, the Compensation Committee received the recommendations from the President and Chief Executive Officer and the Vice President and Chief Financial Officer for the number of options or restricted stock to be awarded.

After considering the recommendations of the President and Chief Executive Officer and the Vice President and Chief Financial Officer and the achievements made by the Company as described above, the Committee allocated the individual awards to the named executive officers based on the named executive officers' individual contributions to these accomplishments. Other factors considered in this allocation included the named executive officers' responsibilities and years of service. In addition, the awards were compared to each named officers' total compensation and compared with comparable REITs using the Survey described above as a guide for setting total compensation.



## **Other Personal Benefits**

The Company's named executive officers who are subject to employment agreements are provided with other personal benefits that the Company and the Committee believe are reasonable and consistent with its overall compensation program to better enable the Company to attract and retain superior employees for key positions. The Committee periodically reviews the levels of other personal benefits provided to the named executive officers.

The named executive officers who are subject to employment agreements are provided the following benefits under the terms of their employment agreements: an allotted number of paid vacation weeks; eligibility for the executives, spouses and dependents in all Company sponsored employee benefits plans, including 401(k) plan, group health, accident, and life insurance, on such terms no less favorable than applicable to any other executive; use of an automobile; and, supplemental disability insurance, at the Company's cost, as agreed to by the Company and the named executive officer. Attributed costs of the personal benefits described above for the named executive officers for the year ended December 31, 2018, are included in "All Other Compensation" of the Summary Compensation Table provided below in this Proxy Statement.

## **Payments upon Termination or Change in Control**

In addition, the named executive officers' employment agreements each contain provisions relating to change in control events and severance upon termination for events other than for cause or good reason (as defined under the terms of the employment agreements). These change in control and severance terms are designed to promote stability and continuity of senior management. Information regarding these provisions is included in "Employment Agreements" provided below in this Proxy Statement. There are no other agreements or arrangements governing change in control payments.

## **Evaluation**

Mr. Eugene Landy is employed under an amended employment agreement with the Company. His base compensation under his amended contract was increased in 2014 to \$250,000 per year. Mr. Eugene Landy also received bonuses totaling \$34,615 primarily based on performance, including growth of the Company. Additionally, Mr. Eugene Landy received \$57,000 in director's fees and fringe benefits. In recognition of Mr. Eugene Landy's contributions to the Company over the last five decades and, in particular, over the last year, the Compensation Committee approved and granted a stock option award of 100,000 shares. This stock option has a grant date fair value of \$2.04 per share, for a total grant date fair value of approximately \$204,000.

The Committee also reviewed the progress made by Mr. Samuel A. Landy, President and Chief Executive Officer and Ms. Anna T. Chew, Vice President and Chief Financial Officer. Mr. Samuel Landy is employed under an employment agreement with the Company. His base compensation under this contract was \$649,000 for 2018. In evaluating Mr. Samuel Landy's eligibility for annual performance-based and discretionary bonuses, stock options and restricted stock awards, the Compensation Committee used the bonus schedule included in Mr. Samuel Landy's employment agreement as a guide.

Ms. Chew is employed under an employment agreement with the Company. Her base compensation under this contract was \$493,000 for 2018. In evaluating Ms. Chew's eligibility for annual performance-based and discretionary bonuses, stock options and restricted stock awards, the Compensation Committee used the bonus schedule included in Ms. Chew's employment agreement as a guide.

All named executive officers were awarded their respective compensation based on their respective employment agreements and the many contributions that they have made towards the Company's achievements. The Committee also considered and approved the recommendations of the Chairman of the Board and the President and Chief Executive Officer concerning the other named executives' annual salaries, bonuses, stock option and restricted stock grants and fringe benefits.

In addition to its determination of the executive's individual performance levels for 2018, the Committee also compared the executive's total compensation for 2018 to that of similarly-situated personnel in the REIT industry using the Survey described above. The Company's salary and bonus amounts were compared to the ranges presented for reasonableness.

## **Risk Management**

The Committee has assessed our compensation program for the purpose of viewing and considering any risks presented by our compensation policies and practices that are likely to have a material adverse effect on us. As part of that assessment, management reviewed the primary elements of our compensation program, including base salary, annual bonus opportunities, equity compensation and severance arrangements. Management's risk assessment included a review of the overall design of each primary element of our compensation program, and an analysis of the various design features, controls and approval rights in place with respect to compensation paid to management and other employees that mitigate potential risks to us that could arise from our compensation program. Following the assessment, management determined that our compensation policies and practices did not create risks that were reasonably likely to have a material adverse effect on us and reported the results of the assessment to the Committee.

## **Compensation Committee Report**

The Compensation Committee of the Board has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Compensation Committee:

Jeffrey A. Carus (Chairman)

Stuart D. Levy

James E. Mitchell

Stephen B. Wolgin

**Summary Compensation Table**

The following Summary Compensation Table shows compensation paid by the Company for services rendered during 2018, 2017 and 2016 to the named executive officers. There were no other named executive officers whose aggregate cash compensation exceeded \$100,000:

Name and Principal Position	Year	Salary	Bonus (6)	Stock Awards (4) (6)	Option Awards (5)	Non-equity Incentive Plan Compensation (6)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total	
Eugene W. Landy Chairman of the Board	2018	\$250,000	\$34,615	\$5,741	\$204,000	\$-0-	\$ -0-	\$ 57,000	(1)	\$551,356
	2017	250,000	34,615	16,907	184,000	-0-	-0-	107,000	(1)	592,522
	2016	250,000	34,615	231,400	81,000	-0-	-0-	49,500	(1)	646,515
Samuel A. Landy President and Chief Executive Officer	2018	649,000	24,962	917,581	102,000	1,412,000	-0-	67,800	(2)	3,173,343
	2017	488,000	268,769	344,157	169,500	585,600	-0-	67,600	(2)	1,923,626
	2016	473,000	18,192	376,000	40,500	567,600	-0-	60,100	(2)	1,535,392
Anna T. Chew Vice President and Chief Financial Officer	2018	493,000	18,962	728,541	102,000	1,131,000	-0-	67,800	(2)	2,541,303
	2017	371,000	289,269	278,707	107,500	448,500	-0-	67,600	(2)	1,562,576
	2016	360,000	13,846	300,800	40,500	435,300	-0-	60,100	(2)	1,210,546
Craig Koster	2018	275,000	60,577	-0-	40,800	-0-	-0-	10,800	(3)	387,177



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General Counsel	2017	215,000	48,269	-0-	36,800	-0-	-0-	8,851	(3)	308,920
	2016	171,171	31,584	-0-	16,200	-0-	-0-	7,350	(3)	226,305
Brett Taft Vice President	2018	235,000	69,038	-0-	40,800	-0-	-0-	10,800	(3)	355,638
	2017	172,000	66,615	-0-	36,800	-0-	-0-	8,764	(3)	284,179
	2016	138,000	55,308	-0-	16,200	-0-	-0-	4,225	(3)	213,733

Represents Director's annual board cash retainer of \$41,000, \$41,000 and \$33,500 for 2018, 2017 and 2016, (1) respectively, Director's meeting fees of \$16,000, \$16,000 and \$16,000 for 2018, 2017 and 2016, respectively, and additional retirement benefit of \$50,000 in 2018 and 2017, respectively.

Represents Director's annual board cash retainer of \$41,000, \$41,000 and \$33,500 for 2018, 2017 and 2016, (2) respectively, Director's meeting fees of \$16,000, \$16,000 and \$16,000 for 2018, 2017 and 2016, respectively, and fringe benefits and discretionary contributions by the Company to the Company's 401(k) Plan allocated to an account of the named executive officer.

(3) Represents discretionary contributions by the Company to the Company's 401(k) Plan allocated to an account of the named executive officer.

The grant date fair values were established based on the number of shares granted and the share prices as (4) follows: 2018, 1/25/2018- \$14.16, 3/26/2018- \$12.99, 4/2/2018- \$13.09, 6/20/2018- \$14.77, 9/27/2018- \$15.49; 2017, 4/4/17- \$15.04, 9/27/17- \$15.37 (see table below for details); and 2016, 4/5/16 - \$9.77, 9/14/16 - \$11.57. Such shares vest over five years.

The fair value of the stock options granted was established using the Black-Scholes stock option valuation (5) model. See Note 6 of the Notes to the Consolidated Financial Statements for assumptions used in the model. The actual value of the options will depend upon the performance of the Company during the period of time the options are outstanding and the price of the Company's common stock on the date of exercise.

(6) Includes amounts paid in subsequent year based upon current year's performance.

## Pay Ratio

The following is a reasonable estimate, prepared under applicable SEC rules, of the ratio of the annual total compensation of our President and Chief Executive Officer to the median of the annual total compensation of our other employees. The median of the annual total compensation of all employees (other than our President and Chief Executive Officer) is \$34,669 at December 31, 2018. The President and Chief Executive Officer's total compensation as an employee for 2018, which includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation and all other compensation as disclosed in the summary compensation table above, was \$3,173,343.

We determined our median employee based on total compensation, which we calculated as annual base pay and the value of annual cash incentives, equity awards and all other compensation paid in 2018. We did not include the CEO, any seasonal employees, contractors or other non-employee workers in our employee population. All of our employees are located in the United States and, therefore, we did not make any cost-of-living adjustments in identifying the median employee. We annualized base pay for any full-time and part-time employees who were employees of the Company as of December 31, 2018.

For 2018, the ratio of the annual total compensation of our President and Chief Executive Officer to the median of the annual total compensation of our other employees was 92 to 1. Given the different methodologies that various companies use to determine an estimate of their pay ratio, our estimated ratio should not be used as a basis for comparison between companies.

## Equity Compensation Plan Information

On June 13, 2013, the shareholders approved and ratified the Company's 2013 Stock Option and Stock Award Plan authorizing the grant to officers and key employees of options to purchase up to 3,000,000 shares of common stock. The 2013 Plan replaced the Company's 2003 Stock Option and Award Plan, as amended, which, pursuant to its terms, terminated in 2013. On June 14, 2018, the shareholders approved and ratified an amendment and restatement (and renaming) of the Company's Amended and Restated 2013 Incentive Award Plan (formerly 2013 Stock Option and Stock Award Plan). The amendment and restatement made two substantive changes: (1) provide an additional 2,000,000 common shares for future grant of option awards, restricted stock awards, or other stock-based awards; and (2) allow for the issuance of other stock-based awards.

**Grants of Plan-Based Awards**

The following table sets forth, for the named executive officers in the Summary Compensation Table, information regarding individual grants of stock options and restricted stock awards made during the year ended December 31, 2018:

Name	Grant Date	Number of Shares of Stock (1)	Number of Shares of Underlying Options (2)	Exercise Price of Option Award or Fair Value Per Share at Grant Date of Stock Award	Grant Date Fair Value (3)
Eugene W. Landy	4/02/2018	-0-	100,000	\$ 13.09	\$203,876
	1/25/2018	100	-0-	14.16	1,416
	3/26/2018	100	-0-	12.99	1,299
	6/20/2018	100	-0-	14.77	1,477
	9/27/2018	100	-0-	15.49	1,549
Samuel A. Landy	4/02/2018	-0-	50,000	13.09	101,938
	1/25/2018	100	-0-	14.16	1,416
	3/26/2018	100	-0-	12.99	1,299
	4/02/2018	25,000	-0-	13.09	327,250
	6/20/2018	100	-0-	14.77	1,477
9/27/2018	100	-0-	15.49	1,549	
Anna T. Chew	4/02/2018	-0-	50,000	13.09	101,938
	1/25/2018	100	-0-	14.16	1,416
	3/26/2018	100	-0-	12.99	1,299
	4/02/2018	20,000	-0-	13.09	261,800
	6/20/2018	100	-0-	14.77	1,477
9/27/2018	100	-0-	15.49	1,549	
Craig Koster	4/02/2018	-0-	20,000	13.09	40,775
Brett Taft	4/02/2018	-0-	20,000	13.09	40,775

(1) Restricted stock awards granted during fiscal year 2018 vest 20% per year over a five-year period, and all dividends earned are reinvested in restricted stock. Restricted stock awards of 200 shares to Eugene W. Landy, Samuel A. Landy and Anna T. Chew represents compensation for their service as a director. These awards vests over a three-month period. Unrestricted stock awards of 200 shares to Eugene W. Landy, Samuel A. Landy and Anna T. Chew represents compensation for their service as a director. These awards vests over a three-month period.

(2) These options are exercisable and vest after 1 year and expire 10 years from grant date.

(3) The values of the shares underlying options were established using the Black-Scholes stock option valuation model. The following assumptions were used in the model: expected volatility of 25.83%; risk-free interest rate of 2.73%; dividend yield of 4.77%; expected life of the options of ten years; and forfeitures of \$-0. The actual value of the options will depend upon the performance of the Company during the period of time the options are outstanding and the price of the Company's common stock on the date of exercise. The value of the shares of restricted and unrestricted stock was based on the closing price of the shares on the grant date.

**Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table**

Our executive compensation policies and practices, pursuant to which the compensation set forth in the Summary Compensation Table and the Grants of Plan-Based Awards Table was paid or awarded to our named executive officers, are described above under “Compensation Discussion and Analysis” and below under “Employment Agreements.”

**Outstanding Equity Awards at Year-End**

The following table sets forth for the named executive officers in the Summary Compensation Table, information regarding stock options and stock awards outstanding at December 31, 2018:

Name	Option Awards <sup>(1)</sup>				Stock Awards <sup>(2)</sup>	
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares that have not Vested	Market Value of Shares that have not Vested
Eugene W. Landy					14,822	\$ 175,489
Eugene W. Landy	100,000	-0-	\$ 10.08	06/26/21		
Eugene W. Landy	100,000	-0-	\$ 9.85	06/11/22		
Eugene W. Landy	100,000	-0-	\$ 9.82	06/24/23		
Eugene W. Landy	100,000	-0-	\$ 9.77	04/05/24		
Eugene W. Landy	100,000	-0-	\$ 15.04	04/04/27		
Eugene W. Landy	-0-	100,000	\$ 13.09	04/02/28		
Samuel A. Landy					84,610	\$ 1,001,784
Samuel A. Landy	50,000	-0-	\$ 9.82	06/24/23		
Samuel A. Landy	50,000	-0-	\$ 9.77	04/05/24		
Samuel A. Landy	50,000	-0-	\$ 14.25	01/19/27		
Samuel A. Landy	50,000	-0-	\$ 15.04	04/04/27		
Samuel A. Landy	-0-	50,000	\$ 13.09	04/02/28		

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Anna T. Chew					52,180	\$617,812
Anna T. Chew	50,000	-0-	\$ 10.08	06/26/21		
Anna T. Chew	20,000	-0-	\$ 9.82	06/24/23		
Anna T. Chew	10,000	-0-	\$ 14.25	01/19/27		
Anna T. Chew	50,000	-0-	\$ 15.04	04/04/27		
Anna T. Chew	-0-	50,000	\$ 13.09	04/02/28		

Name	Option Awards <sup>(1)</sup>				Stock Awards <sup>(2)</sup>	
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares that have not Vested	Market Value of Shares that have not Vested
Craig Koster					-0-	\$-0-
Craig Koster	1,500	-0-	\$10.08	06/26/21		
Craig Koster	5,000	-0-	\$9.85	06/11/22		
Craig Koster	20,000	-0-	\$9.77	04/05/24		
Craig Koster	20,000	-0-	\$15.04	04/04/27		
Craig Koster	-0-	20,000	\$13.09	04/02/28		
Brett Taft					-0-	\$-0-
Brett Taft	4,000	-0-	\$11.29	08/29/20		
Brett Taft	10,000	-0-	\$10.08	06/26/21		
Brett Taft	12,000	-0-	\$9.85	06/11/22		
Brett Taft	20,000	-0-	\$9.77	04/05/24		
Brett Taft	20,000	-0-	\$15.04	04/04/27		
Brett Taft	-0-	20,000	\$13.09	04/02/28		

(1) Stock options vest 1 year from the date of grant.

(2) Restricted stock awards vest over 5 years, 20% per year, from the date of grant. The following is the vesting schedule for the shares that have not yet vested: Mr. Eugene Landy – 4,950 shares, 4,950 shares, 4,708 shares and 214 shares in 2019, 2020, 2021 and 2022, respectively; Mr. Samuel Landy – 29,670 shares, 22,752 shares, 16,109

shares, 10,870 shares, and 5,200 shares in 2019, 2020, 2021, 2022 and 2023 respectively; and Ms. Anna Chew, – 13,172 shares, 13,172 shares, 12,930 shares, 8,746 shares and 4,160 shares in 2019, 2020, 2021, 2022 and 2023, respectively. Market value is based on the closing price of our common stock on December 31, 2018 of \$11.84.

### Option Exercises and Stock Vested

The following table sets forth summary information concerning option exercises and vesting of stock awards for each of the named executive officers during the year ended December 31, 2018:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value realized on Vesting (\$) <sup>(1)</sup>
Eugene W. Landy	-0-	-0-	5,079	78,892
Samuel A. Landy	-0-	-0-	23,554	311,779
Anna T. Chew	50,000	228,700	8,878	118,009
Craig Koster	3,500	22,470	-0-	-0-
Brett Taft	-0-	-0-	-0-	-0-

(1) Value realized based on the closing price of the shares on the NYSE as of the date of exercise/vesting.



## Employment Agreements

The Company has an Employment Agreement with Mr. Eugene W. Landy, Founder and Chairman of the Board. Under this agreement, Mr. Landy receives an annual base compensation of \$250,000 (as amended) plus bonuses and customary fringe benefits, including health insurance, participation in the Company's 401(k) Plan, stock options, five weeks' vacation and use of an automobile. Additionally, there may be bonuses voted by the Board of Directors. The Employment Agreement is terminable by either party at any time subject to certain notice requirements. The Employment Agreement provides for aggregate severance payments of \$450,000, payable to Mr. Eugene Landy upon the termination of his employment for any reason in increments of \$150,000 on severance and \$150,000 on the first and second anniversaries of severance. In the event of disability, Mr. Landy's compensation will continue for a period of three years, payable monthly. He is entitled to receive a pension of \$50,000 per year through 2017. In the event of death, Mr. Landy's designated beneficiary will receive \$450,000 (\$100,000 thirty days after death and the balance one year after death). The Employment Agreement automatically renews each year for successive one-year periods. On April 14, 2008, the Company executed a Second Amendment to the Employment Agreement with Mr. Landy (the "Second Amendment"). The Second Amendment provides that in the event of a change in control, Eugene W. Landy shall receive a lump sum payment of \$1,200,000, provided the sale price of the Company is at least \$16 per share of common stock. A change of control shall be defined as the consummation of a reorganization, merger, share exchange, consolidation, or sale or disposition of all or substantially all of the assets of the Company. This change of control provision shall not apply to any combination between the Company and MREIC. Payment shall be made simultaneously with the closing of the transaction, and only in the event that the transaction closes.

Effective as of January 1, 2018, the Company and Mr. Samuel A. Landy entered into an amended and restated three-year Employment Agreement. The employment agreement is renewed automatically for a new three-year term as of the first day of each calendar quarter after the effective date unless otherwise terminated. Under the agreement, Mr. Landy is entitled to receive an annual base salary of \$649,000 for 2018, \$649,000 for 2019 and \$649,000 for 2020. For calendar years after 2020, Mr. Landy's base salary will be set by the Compensation Committee of the Company's Board of Directors but will be no less than his base salary for the preceding year. Mr. Landy will be eligible for annual cash bonuses based on the increase in Normalized Funds from Operations (FFO) as specified in the Employment Agreement and determined by the Compensation Committee. Mr. Landy will also be entitled to equity awards of up to 65,600 shares of restricted stock each year based on achievement of performance objectives as set forth in the Employment Agreement. In addition, Mr. Landy shall be entitled to an Annual Stock Option Award of up to 50,000 shares upon the achievement of any of the bonus categories and/or in combination with the Compensation Committee's discretion based on but not limited to Property NOI, growth in acquisitions, same store occupancy, G&A expense management and growth of rental homes. If Mr. Landy's employment is terminated for any reason, either involuntarily or voluntarily, including the death of Mr. Landy or termination for cause, Mr. Landy shall be entitled to the base salary plus bonuses (based upon the amount earned in the prior year) due under the Employment Agreement for the remaining term of the Employment Agreement. The Employment Agreement also provides that, upon a change of control of the Company, the Employment Agreement will automatically renew for three years from the date of the change of control. Additionally or alternatively, if a change of control occurs, Mr. Landy shall have the right to terminate the Employment Agreement and continue to receive the base salary plus any Bonuses and Restricted Stock grants he would have received under the Employment Agreement had he remained employed for the remainder of the Term. In addition, provided that Mr. Landy is actively employed by the Company as of the consummation of a change of control, Mr. Landy shall be entitled to a transaction bonus consistent with the terms of the Company's Executive Management Transaction Bonus Plan, which shall be approved by the Compensation Committee. The Employment

Agreement entitles Mr. Landy to customary fringe benefits, including vacation, life insurance and health benefits, the use of an automobile, and the right to participate in the Company's 401(k) retirement plan

Effective as of January 1, 2018, the Company and Ms. Anna T. Chew, its Chief Financial Officer, entered into an amended and restated three-year Employment Agreement. The employment agreement is renewed automatically for a new three-year term as of the first day of each calendar quarter after the effective date unless otherwise terminated. Under the agreement, Ms. Chew is entitled to receive an annual base salary of \$493,000 for 2018, \$493,000 for 2019 and \$493,000 for 2020. For calendar years after 2020, Ms. Chew's base salary will be set by the Compensation Committee of the Company's Board of Directors but will be no less than her base salary for the preceding year. Ms. Chew will be eligible for annual cash bonuses based on the Company's achievement of certain performance objectives specified in the Employment Agreement as determined by the Compensation Committee. Ms. Chew will also be entitled to equity awards of up to 52,000 shares of restricted stock each year based on achievement of performance objectives as set forth in the Employment Agreement. In addition, Ms. Chew shall be entitled to receive an Annual Stock Option Award of up to 50,000 shares upon the achievement of any of the bonus categories and/or in combination with the Compensation Committee's discretion based on but not limited to Property NOI, growth in acquisitions, same store occupancy, G&A expense management and growth of rental homes. If Ms. Chew's employment is terminated for any reason, either involuntarily or voluntarily, including the death of Ms. Chew or termination for cause, Ms. Chew shall be entitled to the base salary plus bonuses (based upon the amount earned in the prior year) due under the Employment Agreement for the remaining term of the Employment Agreement. The Employment Agreement also provides that, upon a change of control of the Company, the Employment Agreement will automatically renew for three years from the date of the change of control. Additionally or alternatively, if a change of control occurs, Ms. Chew shall have the right to terminate the Employment Agreement and continue to receive the base salary plus any Bonuses and Restricted Stock grants she would have received under the Employment Agreement had she remained employed for the remainder of the Term. In addition, provided that Ms. Chew is actively employed by the Company as of the consummation of a change of control, Ms. Chew shall be entitled to a transaction bonus consistent with the terms of the Company's Executive Management Transaction Bonus Plan, which shall be approved by the Compensation Committee. The Employment Agreement entitles Ms. Chew to customary fringe benefits, including vacation, life insurance and health benefits, the use of an automobile, and the right to participate in the Company's 401(k) retirement plan.



agreement is terminated, he receives severance payments of \$450,000, payable \$150,000 per year for three years.

- (3) In the event of a disability, as defined in the agreement, Mr. Landy shall receive disability payments equal to his base salary for a period of three years. He has a death benefit of \$450,000 payable to Mr. Landy's beneficiary.

The respective employment agreements provide for the base salaries plus base target bonuses due for the (4) remaining terms of the agreements. The respective employment agreements also provide for death benefits of the same amount.

The Company retains the discretion to compensate any officer upon any future termination of employment or change-in control.

**Director Compensation**

During 2018, directors received fees in cash of \$4,000 for each Board meeting attended and \$500 for each Board phone meeting attended, and an additional fixed annual fee \$45,100, with the increase of \$4,100 payable as restricted stock (minimum 100 shares), with a three-month vesting period. Directors appointed to board committees receive \$1,200 paid in cash for each committee meeting attended. The table below sets forth a summary of compensation received by the Company's independent directors for the year ended December 31, 2018:

Director	Annual Board Cash Retainer	Meeting Fees	Committee Fees	Restricted Stock Awards (5)	Total Fees
Jeffrey A. Carus <sup>(1)</sup> <sup>(3)</sup>	\$41,000	\$16,000	\$7,700	\$16,907	\$81,607
Matthew I. Hirsch <sup>(2)</sup> <sup>(4)</sup>	41,000	16,000	1,200	16,907	75,107
Michael P. Landy	41,000	16,000	-0-	16,907	73,907
Stuart Levy <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>	41,000	16,000	8,900	16,907	82,807
James E. Mitchell <sup>(1)</sup> <sup>(2)</sup>	41,000	16,000	7,700	16,907	81,607
Kenneth K. Quigley, Jr. <sup>(3)</sup>	41,000	16,000	1,200	16,907	75,107
Stephen B. Wolgin <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>	41,000	16,000	8,900	16,907	82,807
	\$287,000	\$112,000	\$35,600	\$118,349	\$552,949

(1) Mr. Carus (Chairman of the Compensation Committee), Mr. Levy, Mr. Mitchell and Mr. Wolgin are the current members of the Compensation Committee.

(2) Mr. Hirsch, Mr. Levy, Mr. Mitchell and Mr. Wolgin (Chairman of the Nominating and Corporate Governance Committee) are the current members of the Nominating and Corporate Governance Committee.

(3) Mr. Carus, Mr. Levy, Mr. Quigley, Jr. and Mr. Wolgin (Chairman of the Audit Committee) are the current members of the Audit committee.

(4) Mr. Hirsch is the Presiding Director whose role is to preside over the executive sessions of the non-management directors.

Represents a grant of 1,000 shares of restricted common stock to each director, which vests 20% per year over a (5) five-year period, and 100 shares of restricted common stock to each director, which vests over a three-month period. The value of the shares of restricted stock was based on the closing price of the shares on the grant date.

As of December 31, 2018, the aggregate number of unvested restricted shares of stock held by each director was as follows: Mr. Carus – 1,339; Mr. Hirsch – 1,339; Mr. M. Landy – 1,339; Mr. Levy – 1,339; Mr. Mitchell - 1,339; Mr. Quigley, Jr. – 855; and Mr. Wolgin – 1,339.

Mr. Eugene W. Landy, Mr. Samuel A. Landy and Ms. Anna T. Chew are named executive employees of the Company. As such, their director compensation is included in the Summary Compensation Table.

**Pension Benefits and Nonqualified Deferred Compensation Plans**

Except as provided in the specific agreements previously described, the Company has no pension or other post-retirement plans in effect for Officers, Directors or employees or a nonqualified deferred compensation plan. Payments made during 2018 for Mr. Eugene W. Landy amounted to \$50,000. The Company's employees may elect to participate in the Company's 401(k) Plan.

## **Compensation Committee Interlocks and Insider Participation**

During 2018, the Compensation Committee consisted of Mr. Carus (Chairman), Mr. Levy, Mr. Mitchell and Mr. Wolgin. No member of the Compensation Committee is a current or former officer or employee of the Company. In 2018, none of our executive officers served on the compensation committee of any entity, or board of directors of any entity that did not have a compensation committee, that had one or more of its executive officers serving on our Compensation Committee. The members of the Compensation Committee did not otherwise have any relationships requiring related-party disclosure in the Company's Proxy Statement.

## COMPARATIVE STOCK PERFORMANCE

The following line graph compares the total return of the Company's common stock for the last five years to the FTSE NAREIT All Equity REIT's published by NAREIT and to the S&P 500 Index for the same period. The graph assumes a \$100 investment in our common stock and in each of the indexes listed below on December 31, 2013 and the reinvestment of all dividends. The total return reflects stock price appreciation and dividend reinvestment for all three comparative indices. The information herein has been obtained from sources believed to be reliable, but neither its accuracy nor its completeness is guaranteed. Our stock performance shown in the graph below is not indicative of future stock performance.



## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

There are no family relationships between any of the Directors or executive officers of the Company, except that Samuel A. Landy, President, Chief Executive Officer and a Director of the Company, and Michael P. Landy, a Director of the Company, are the sons of Eugene W. Landy, the Founder, Chairman of the Board and a Director of the Company.

There are five directors of the Company who are also Directors and shareholders of Monmouth Real Estate Investment Corporation (“MREIC”). The Company holds common stock of MREIC in its securities portfolio. As of December 31, 2018, the Company owns a total of 2,446,054 shares of MREIC common stock, representing 2.6% of the total shares outstanding at December 31, 2018. The Company shares one officer (Chairman of the Board) with MREIC.

No director, executive officer, or any immediate family member of such director or executive officer may enter into any transaction or arrangement with the Company without the prior approval of the Board of Directors. If any such transaction or arrangement is proposed, the Board of Directors will appoint a Business Judgment Committee consisting of independent directors who are also independent of the transaction or arrangement. This Committee will recommend to the Board of Directors approval or disapproval of the transaction or arrangement. In determining whether to approve such a transaction or arrangement, the Business Judgment Committee will take into account, among other factors, whether the transaction was on terms no less favorable to the Company than terms generally available to third parties and the extent of the executive officer’s or director’s involvement in such transaction or arrangement. While the Company does not have specific written standards for approving such related party transactions, such transactions are only approved if it is in the best interest of the Company and its shareholders. Additionally, the Company’s Code of Business Conduct and Ethics, which is presented on the Company’s website at [www.umh.reit](http://www.umh.reit), requires all directors, officers and employees to notify and report a potential or apparent conflict of interest, in the case of a Director or the principal executive officer, to the Board, in the case of any officer other than the principal executive officer, to the principal executive officer, and, in the case of an employee, to his or her supervisor. Further, to identify related party transactions, the Company submits and requires our directors and executive officers to complete director and officer questionnaires which, among other things, identify any transactions with the Company in which the director, executive officer or their immediate family members have an interest.

Mr. Eugene W. Landy, the Founder and Chairman of the Board of the Company, owns a 24% interest in the entity that is the landlord of the property where the Company’s corporate office space is located. The Company is also responsible for its proportionate share of real estate taxes and common area maintenance. On May 1, 2015, the Company renewed this lease for additional space and an additional seven-year term with monthly lease payments of \$14,900 through April 30, 2020 and \$15,300 through April 30, 2022. On July 1, 2017, the Company entered into a lease for additional office space adjacent to its existing corporate office space requiring monthly lease payments of \$1,275 through April 30, 2020 and \$1,310 through April 30, 2022. On February 14, 2018, the Company entered into a lease for additional office space adjacent to its existing corporate office space requiring monthly lease payments of \$1,800 through April 30, 2020 and \$1,850 through April 30, 2022. Management believes that the aforesaid rents are no more than what the

Company would pay for comparable space elsewhere.

**FINANCIAL INFORMATION**

The Company's Community NOI is calculated as follows:

	2018	2017	2016	2015	2014
Rental and Related Income	\$ 113,832,660	\$ 101,801,425	\$ 90,679,557	\$ 74,762,548	\$ 63,886,010
Community Operating Expenses	(52,948,510 )	(47,846,565 )	(42,638,333 )	(37,049,462 )	(33,592,327 )
Community NOI	\$ 60,884,150	\$ 53,954,860	\$ 48,041,224	\$ 37,713,086	\$ 30,293,683

The following is a reconciliation of our US GAAP Net Income (Loss) Attributable to common Shareholders to our FFO, Core FFO and Normalized FFO:

	2018	2017	2016	2015	2014
Net Loss Attributable to Common Shareholders	\$(56,531,515)	\$(7,679,265 )	\$(2,568,873 )	\$(6,122,993 )	\$(3,318,785 )
Depreciation Expense	31,691,209	27,557,746	23,214,100	18,877,511	15,163,420
(Gain) Loss on Sales of Depreciable Assets	131,129	80,930	2,163	80,268	(7,313 )
FFO Attributable to Common Shareholders	(24,709,177)	19,959,411	20,647,390	12,834,786	11,837,322
Adjustments:					
Acquisition Costs	-0-	-0-	79,231	957,219	483,522
Early Extinguishment of Debt <sup>(1)</sup>	-0-	-0-	5,121	475,031	-0-
Decrease in Fair Value of Marketable Securities <sup>(4)</sup>	51,675,396	-0-	-0-	-0-	-0-
Redemption of Preferred Stock	-0-	3,502,487	-0-	-0-	-0-
Core FFO Attributable to Common Shareholders	26,966,219	23,461,898	20,731,742	14,267,036	12,320,844
Adjustments:					
Gain on Sales of Marketable Securities, net	(20,107 )	(1,747,528 )	(2,285,301 )	(204,230 )	(1,542,589 )
Non- Recurring Other Expense <sup>(2)</sup>	525,000	-0-	-0-	-0-	-0-
Settlement of Memphis Mobile City Litigation <sup>(3)</sup>	-0-	-0-	-0-	125,000	-0-
Normalized FFO Attributable to Common Shareholders	\$ 27,471,112	\$ 21,714,370	\$ 18,446,441	\$ 14,187,806	\$ 10,778,255

(1) Included in Interest Expense on the Consolidated Statements of Income (Loss).

- (2) Consists of one- time payroll expenditure.
- (3) Included in Community Operating Expenses on the Consolidated Statements of Income (Loss).
- (4) Represents change in unrealized gain (loss) in marketable securities which is included in the Consolidated Statements of Income (Loss) in accordance with ASU 2016-01.

## **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires the Company's Officers and Directors, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, Directors and greater than 10% shareholders are required by Securities and Exchange Commission regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely on review of the copies of such forms furnished to the Company, the Company believes that, during the year ended December 31, 2018, all Section 16(a) filing requirements applicable to its Officers, Directors and greater than 10% beneficial owners were met.

## **OTHER MATTERS**

The Board of Directors knows of no other matters other than those stated in this Proxy Statement which are to be presented for action at the Annual Meeting. If any other matters should properly come before the Annual Meeting, it is intended that proxies in the accompanying form will be voted on any such matter in accordance with the discretion of the persons voting such proxies. Discretionary authority to vote on such matters is conferred by such proxies upon the persons voting them.

The Company will provide, without charge, to each person being solicited by this Proxy Statement, on the written request of any such person, a copy of the Annual Report of the Company on Form 10-K for the year ended December 31, 2018 (as filed with the SEC), including the financial statements and schedules thereto, the Proxy Statement, a form of proxy, or future annual reports and Proxy Statements. All such requests should be directed to our Shareholder Relations Department by: (a) mail at UMH Properties, Inc., Attention: Shareholder Relations, Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, NJ 07728, (b) telephone at (732) 577-9997 or (c) email at umh@umh.com. You can also contact your broker, bank or other nominee to make a similar request.

For directions to the offices of the Company at Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, New Jersey, please contact our Shareholders Relations Department by mail, telephone or email.

**YOUR PROXY IS IMPORTANT WHETHER YOU OWN FEW OR MANY SHARES.**

**PLEASE VOTE AS SOON AS POSSIBLE.**

## SHAREHOLDER PROPOSALS

Shareholders interested in presenting a proposal for inclusion in the Proxy Statement for the 2020 Annual Meeting of shareholders may do so by following the procedures in Rule 14a-8 under the Exchange Act. To be eligible for inclusion, shareholder proposals must be received at the Company's principal executive offices by December 31, 2019. Under our current Bylaws, nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by our shareholders at our 2020 Annual Meeting, but not included in the Company's Proxy Statement, may be made by a person who is a shareholder of record at the time of giving notice by the shareholder and at the time of the Meeting who delivers notice along with the additional information and materials required by our current Bylaws to our Secretary at the principal executive office of the Company not earlier than December 31, 2019 and not later than January 30, 2020. However, in the event that the 2020 Annual Meeting is advanced more than 30 days or delayed by more than 60 days from the first anniversary of the date of the 2019 Annual Meeting, notice by the shareholder to be timely must be received no earlier than the 120th day prior to the date of mailing of the notice for the meeting and not later than the close of business on the later of the 90th day prior to the date of mailing of the notice for such annual meeting or the 10th day following the day on which public announcement of the date of mailing of such meeting is first made.

BY ORDER OF THE BOARD OF DIRECTORS

**Eugene W. Landy**  
**Chairman of the Board and Director**

Dated: April 22, 2019

**Important:** Shareholders can help the Company avoid the necessity and expense of sending follow-up letters to ensure a quorum by promptly authorizing a proxy. The proxy is revocable and will not affect your right to vote in person in the event you attend the meeting. You are earnestly requested to authorize your proxy to vote your shares in order that the necessary quorum may be represented at the meeting.







