

UTSTARCOM INC
Form 8-K12B
June 27, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of June, 2011

Commission File Number 000-29661

UTStarcom Holdings Corp.

(Translation of registrant's name into English)

52-2 Building, BDA International Enterprise Avenue
No. 2 Jingyuan North Street
Daxing District

Beijing, 100176
People's Republic of China

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Edgar Filing: UTSTARCOM INC - Form 8-K12B

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Edgar Filing: UTSTARCOM INC - Form 8-K12B

At 4:30 p.m., Eastern Standard time, on June 24, 2011, UTStarcom, Inc., a Delaware corporation (*UTStarcom*), completed a corporate reorganization (the *Reorganization*), resulting in UTStarcom Holdings Corp., an exempted company incorporated under the laws of the Cayman Islands (*UTS Holdings*), becoming the publicly held parent company of UTStarcom and UTStarcom becoming a wholly-owned subsidiary of UTS Holdings, pursuant to the Agreement and Plan of Merger and Reorganization, dated as of April 25, 2011 by and among UTStarcom, UTS Holdings and UTSI Mergeco Inc. (the *Merger Agreement*). The Merger Agreement was approved by the stockholders of UTStarcom at an annual meeting of stockholders held on June 24, 2011. The Merger Agreement was filed with UTS Holdings Registration Statement on Form F-4 filed with the Securities and Exchange Commission (the *SEC*) on May 23, 2011 (the *Registration Statement*) and UTS Holdings s prospectus filed with the SEC on May 25, 2011 (the *Prospectus*). On June 24, 2011, UTS Holdings and UTStarcom issued a press release announcing the completion of the Reorganization. The press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Prior to the Reorganization, shares of UTStarcom common stock were registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the *Exchange Act*), and listed on the NASDAQ Global Select Market under the symbol *UTSI*. As a result of the Reorganization, each issued and outstanding share of UTStarcom common stock was converted into the right to receive one UTS Holdings ordinary share, which shares were issued by UTS Holdings as part of the merger. Accordingly, UTS Holdings requested that the NASDAQ Stock Market file with the SEC a Form 25 to remove the shares of UTStarcom common stock from listing on the NASDAQ Global Select Market. UTStarcom expects to file a Form 15 with the SEC to terminate the registration of the shares of UTStarcom common stock and suspend its reporting obligations under Sections 13 and 15(d) of the Exchange Act.

This report is being filed for the purpose of establishing UTS Holdings as the successor issuer pursuant to Rule 12g-3 under the Exchange Act. Pursuant to Rule 12g-3(a) under the Exchange Act, the ordinary shares of UTS Holdings, as successor issuer, are deemed registered under Section 12(b) of the Exchange Act. The UTS Holdings ordinary shares were approved for listing on the NASDAQ Global Select Market and will begin trading under the symbol *UTSI*, the same symbol under which the shares of UTStarcom common stock previously traded, on June 27, 2011.

As of June 24, 2011, each of the directors and officers of UTStarcom immediately prior to the Reorganization had been appointed to the same position(s) with UTS Holdings, with the directors to serve until the earlier of the next meeting of the UTS Holdings shareholders at which an election of directors of their respective classes is required or until their successors are elected or appointed (or their earlier death, disability or retirement).

In connection with the completion of the Reorganization, all directors and executive officers of UTS Holdings have or will enter into indemnification agreements with UTS Holdings that provide for indemnification and expense advancement and include related provisions intended to facilitate the indemnitee s receipt of such benefits. A form of the indemnification agreement was filed with the Registration Statement and Prospectus and is incorporated herein by reference.

As part of the Reorganization, UTS Holdings assumed all of UTStarcom s rights and obligations under UTStarcom s 1997 Stock Plan, 2001 Director Option Plan, 2003 Nonstatutory Stock Option Plan and 2006 Equity Incentive Plan, Advanced Communications Devices Corporation Incentive Program, UTStarcom s Executive Involuntary Termination Severance Pay Plan, Vice President Change in Control and Involuntary Termination Severance Pay Plan and involuntary termination severance agreements with its executive employees.

As of June 24, 2011, in connection with and effective upon completion of the Reorganization, the rights of shareholders of UTS Holdings will be governed by its memorandum and articles of association.

DESCRIPTION OF SHARE CAPITAL OF UTS HOLDINGS

The following description of the material terms of UTS Holdings' shares includes a summary of specified provisions of the memorandum of association and articles of association of UTS Holdings. This description is qualified by reference to the memorandum of association and articles of association of UTS Holdings, which were filed with the Registration Statement and Prospectus and are incorporated by reference into this report. You are encouraged to read the relevant provisions of Cayman Islands law as they relate to the following summary.

Authorized Share Capital

UTS Holdings is authorized to issue 750,000,000 ordinary shares of a nominal or par value of US\$0.00125 each and 5,000,000 preference shares of a nominal or par value of US\$0.00125 each. The ordinary shares and preference shares may be issued from time to time at the discretion of its Board of Directors without shareholder approval. The Board of Directors of UTS Holdings is authorized to issue these shares in different classes and series and, with respect to each class or series, to determine the designations, powers, preferences, privileges and other rights, including dividend rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers and rights associated with the ordinary shares, at such times and on such other terms as they think proper. UTS Holdings has no immediate plans to issue any preference shares.

As of the close of business on April 25, 2011, UTS Holdings had one ordinary share outstanding and no preference shares outstanding. Upon completion of the merger, UTS Holdings issued approximately 156,129,775 ordinary shares in the merger and the one ordinary share outstanding prior to the merger was repurchased.

The rights, privileges, restrictions or conditions attaching to a class of shares may not be modified other than with the approval of the holders of such class, voting separately as a class. Please also see the sections entitled "Changes to Rights of a Class or Series" and "Voting" below.

Register of Members

Under Cayman Islands law, a share in a Cayman Islands company is duly issued only when the name of the shareholder is entered in the register of members of a company, and the register of members is by statute regarded as prima facie evidence of the shareholders of a company. A person becomes a shareholder of a Cayman Islands company, and is therefore able to benefit from the rights attaching to such shares, only on the date that such person is entered on the register of members.

Upon completion of the merger, UTS Holdings will immediately update the register of members to record and give effect to the issue of shares by UTS Holdings to UTStarcom stockholders. Once the register of members of UTS Holdings has been updated, the shareholders recorded in the register of members shall be deemed to have legal title to the shares set against their name. No consents or approvals are required by Cayman Islands law from any governmental authorities or agencies or other official bodies in the Cayman Islands in connection with updating the register of members of UTS Holdings.

Voting

Holders of UTS Holdings ordinary shares are entitled to receive notice of any meeting of shareholders and to one vote for each share held of record on all matters at all meetings of shareholders, except at a

meeting where holders of a particular class or series of shares are entitled to vote separately. UTS Holdings' ordinary shareholders have no cumulative voting rights. UTS Holdings' Board of Directors consists of three classes of directors, with each class of directors elected for three-year terms and one class coming up for election by the shareholders each year. UTS Holdings' shareholders take action by a majority of votes cast, unless otherwise provided by the Companies Law or UTS Holdings' memorandum of association or articles of association.

Under the Companies Law, some matters, such as changing UTS Holdings' name, altering or adding to UTS Holdings' memorandum of association or articles of association or reducing UTS Holdings' share capital and any capital redemption reserve require the approval of shareholders by a special resolution. A special resolution is a resolution that is either (a) passed by a majority of not less than two-thirds of shareholders as, being entitled to do so, vote in person or by proxy at a general meeting or (b) that is signed by all the shareholders entitled to vote on that resolution.

Changes to Rights of a Class or Series

Under UTS Holdings' articles of association, if at any time UTS Holdings' share capital is divided into different classes of shares, the rights attaching to any class may only be changed by a consent in writing of the holders of a majority of the issued shares of that class or with the sanction of a resolution passed by the holders of at least a majority of the shares of the class present in person or by proxy at a separate general meeting of the holders of the shares of the class. At such a separate general meeting, the quorum shall be at least one person holding or representing by proxy a majority of the issued shares of the class. Any holder of shares of the class present in person or by proxy at such meeting may demand a poll.

Quorum for General Meetings

No business of UTS Holdings can be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. A quorum of shareholders is present at a meeting of UTS Holdings shareholders regardless of the number of persons actually present at the meeting if the holders of a majority of all voting share capital of UTStarcom in issue and entitled to vote at the meeting are present in person or represented by proxy.

Special Meetings of Stockholders/Shareholders

An extraordinary general meeting of UTS Holdings may be called only by the board of directors, the chairperson of the board, the president, or one or more shareholders in the aggregate entitled to cast not less than 50% the votes at the meeting.

Dividend Rights

Subject to the preferences, limitations and relative rights of holders of UTS Holdings' preference shares, UTS Holdings' Board of Directors may, from time to time, declare dividends on the shares issued and authorize payment of the dividends out of UTS Holdings' lawfully available funds. For information regarding UTS Holdings' expected future dividend payments, please see the section entitled "Market for UTStarcom Common

Stock; Dividends Dividends in the Registration Statement and Prospectus.

Rights Upon Liquidation

Upon the winding up of UTS Holdings, after creditors of the corporation have been paid in full, the assets shall be distributed to, or the losses shall be borne by the shareholders of UTS Holdings in proportion

to the par value of the shares held by them at the commencement of the winding up (up to the amount paid in shares by each shareholder, respectively).

No Liability for Further Calls or Assessments

The UTS Holdings ordinary shares to be issued in the merger will be duly and validly issued, fully paid and non-assessable.

No Preemptive Rights

UTS Holdings shareholders have no preemptive rights to subscribe for or purchase any additional securities issued by UTS Holdings.

Redemption of Ordinary Shares

UTS Holdings may (i) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of UTS Holdings or the shareholder on such terms and in such manner as the Board of Directors of UTS Holdings may, before the issue of the shares, determine and Cayman Islands law; (ii) purchase its own shares, including any redeemable shares, in accordance with the articles of association; or (iii) make a payment in respect of the redemption or purchase of its own shares otherwise than out of profits or the proceeds of a fresh issue of shares.

Restrictions on Transfer

UTS Holdings' share register is determinative of membership in UTS Holdings. A written instrument of transfer is required under the Companies Law in order to register on UTS Holdings' register of members any transfer of shares. The articles of association of UTS Holdings further provide that such written instrument of transfer shall be executed by both the transferee and the transferor of the shares. The articles of association of UTS Holdings also provide that the Board of Directors of UTS Holdings may also decline to register any transfer of shares unless: (a) a fee of such amount the Board of Directors of UTS Holdings may determine to be payable is paid to UTS Holdings; (b) the instrument of transfer is in respect of only one class of share; (c) the instrument of transfer is lodged with UTS Holdings along with the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and (d) the instrument of transfer is properly signed.

Transfer Agent

The transfer agent and registrar for UTS Holdings' ordinary shares is Computershare Trust Company, N.A.

SIGNATURES

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

UTSTARCOM HOLDINGS CORP.

Date: June 24, 2011

By:

/s/ EDMOND CHENG

Name: Edmond Cheng

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release entitled UTStarcom, Inc. and UTStarcom Holdings Corp. Complete Reorganization Merger, dated June 25, 2011

7

right:2px;">

%

State Street Corporation⁽¹⁶⁾

15,725,877

—

—

15,725,877

5.88

%

Represents beneficial ownership of less than 1%, based on 267,396,821 shares of common stock outstanding as of * March 20, 2017. On March 20, 2017, there were 2,796,903 shares of our Series E preferred stock and 16,157,807 shares of our Series F preferred stock outstanding.

(1) In addition to the shares of common stock beneficially owned, Mr. Klingbeil is deemed to beneficially own indirectly 2,221,214 shares of our Series F preferred stock held by certain trusts, limited partnerships, limited liability companies and other entities, or 13.75% of our outstanding Series F preferred stock.

(2) Assumes exercise in full of all options exercisable within 60 days of March 20, 2017.

(3) Includes the number of shares of common stock into which OP Units and granted LTIP Units of the Operating Partnership, beneficially owned by the person, are redeemable if the Company elects to issue shares of common stock rather than pay cash on such redemption. The holder of the OP Units has the right to require the Operating Partnership to redeem all or a portion of the OP Units held by the holder in exchange for a cash payment based on the market value of our common stock at the time of redemption. However, the Operating Partnership's obligation to pay the cash amount is subject to the prior right of the Company to acquire such OP Units in exchange for either the cash amount or shares of our common stock. Granted LTIP Units vest over periods between one and three years and may be converted into OP Units provided that such LTIP Units have been outstanding for at least two years from the date of grant. However, Class 2 LTIP Units are granted at the maximum potential payout and will vest only to the extent that pre-established performance metrics are met for the applicable performance period, subject to continued employment.

(4) Such beneficial ownership calculations assume that all OP Units beneficially owned by the person indicated and outstanding as of March 20, 2017, are redeemed in exchange for shares of common stock (notwithstanding any holding period requirements or exchange rights). See Notes (3) and (7).

(5) Based on 267,396,821 shares of common stock outstanding at the close of business on March 20, 2017. Shares issuable pursuant to options which are exercisable within 60 days of March 20, 2017, or upon redemption of OP Units, are deemed outstanding for computing the percentage of the person holding such options or shares, but are not deemed outstanding for computing the percentage of any other person.

(6) Includes 178,324 shares of common stock subject to a pledge by Mr. Toomey. Includes 110,000 shares of common stock indirectly held in a trust for Mr. Toomey's children.

(7) Mr. Klingbeil is deemed to indirectly beneficially own 909,236 shares of common stock into which OP Units directly owned by certain trusts, limited partnerships, limited liability companies and other entities are redeemable if the Company elects to issue shares of common stock rather than pay cash on such redemption. Includes 592,663 OP Units owned directly by Mr. Klingbeil that were pledged as security for a line of credit, as well as 57,730 OP Units that were pledged as security for a line of credit by a company wholly-owned by Mr. Klingbeil.

(8) Includes 66,940 shares of common stock pledged in a margin account.

(9) Includes 540 shares of common stock owned in a trust for Dr. Sagalyn's daughter, which shares Dr. Sagalyn may be deemed the beneficial owner of as a result of her shared power to vote and dispose of such shares. Dr. Sagalyn disclaims any beneficial ownership interest in such shares.

(10) Beneficial ownership is as of December 31, 2016, as reflected in a statement on Schedule 13G filed by The Vanguard Group ("Vanguard") with the SEC on February 13, 2017. Vanguard has its principal business office at 100 Vanguard Blvd., Malvern, Pennsylvania 19355. Vanguard has the sole power to dispose of 45,188,270 shares owned and the sole power to vote or direct the voting of 766,728 shares owned. Vanguard has shared power to dispose of 765,571 shares of common stock owned, and the shared power to vote or direct the voting of 349,041 shares owned. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of Vanguard, is the beneficial owner of 345,130 shares as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly owned subsidiary of Vanguard, is the beneficial owner of 842,039 shares as a result of serving as investment manager or Australian investment offerings.

(11) Beneficial ownership is as of December 31, 2016, as reflected in the statement on Schedule 13G filed by Vanguard Specialized Funds - Vanguard REIT Index Fund ("Vanguard Specialized") with the SEC on February 14, 2017. Vanguard Specialized has its principal business office at 100 Vanguard Blvd., Malvern, Pennsylvania 19355. Vanguard Specialized has the sole power to vote or direct the voting of 20,269,429 shares of common stock owned.

(12) Beneficial ownership is as of December 31, 2016, as reflected in a statement on Schedule 13G filed by Cohen & Steers, Inc. ("C&S") with the SEC on February 14, 2017. According to such Schedule 13G, C&S, a parent holding company, reported that it has sole voting power with respect to 24,643,961 shares of common stock and sole dispositive power with respect to 44,863,607 shares of common stock. Cohen & Steers Capital Management, Inc. ("CSCA"), a wholly-owned subsidiary of C&S and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, reported that it has sole voting power with respect to 24,514,561 shares and sole dispositive power with respect to 44,482,969 shares. Cohen & Steers UK Limited reported that it has sole voting power with respect to 129,400 shares and sole dispositive power with respect to 360,638 shares. The address for each of C&S and CSCA is 280 Park Avenue, 10th Floor, New York, New York 10017. The address

for Cohen & Steers UK Limited is 50 Pall Mall, 7th Floor, London, United Kingdom SW1Y 5JH.

(13) Beneficial ownership is as of December 31, 2016, as reflected in a statement on Schedule 13G filed by BlackRock, Inc. (“BlackRock”) with the SEC on January 17, 2017. BlackRock has its principal business office at 55 East 52nd Street, New York, New York 10055. BlackRock has the sole power to dispose of 28,396,700 shares of common stock owned and the sole power to vote or direct the voting of 25,749,948 shares owned. BlackRock is the beneficial owner as a result of being a parent company or control person of the following subsidiaries, each of which holds less than 5% of the outstanding shares of common stock: BlackRock (Luxembourg) S.A.; BlackRock (Netherlands) B.V.; BlackRock (Singapore) Limited; BlackRock Advisors (UK) Limited; BlackRock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Asset Management Ireland Limited; BlackRock Asset Management North Asia Limited; BlackRock Asset Management Schweiz AG; BlackRock Capital Management; BlackRock Financial Management, Inc.; BlackRock Fund Advisors; BlackRock Fund Managers Ltd; BlackRock Institutional Trust Company, N.A.; BlackRock International Limited; BlackRock Investment Management (Australia) Limited; BlackRock Investment Management (UK) Ltd; BlackRock Investment Management, LLC; BlackRock Japan Co Ltd; and BlackRock Life Limited.

(14) Beneficial ownership is as of December 31, 2016, as reflected in a statement on Schedule 13G filed by FMR LLC with the SEC on February 14, 2017. FMR LLC has its principal business office at 245 Summer Street, Boston, Massachusetts 02210. FMR LLC has sole power to dispose of 20,700,126 shares owned and the sole power to vote or direct the voting of 15,410,277 shares owned. According to the Schedule 13G, FMR LLC is the beneficial owner as a result of being a parent company or control person of the following subsidiaries, each of which holds less than 5% of the outstanding shares of common stock: FIAM LLC; Fidelity Institutional Asset Management Trust Company; and Strategic Advisers, Inc. FMR Co., Inc., a subsidiary of FMR LLC, beneficially owns 5% or greater of the outstanding shares of the security class reported on the Schedule 13G. The Schedule 13G indicates that Abigail P. Johnson is a Director, Chairman and Chief Executive Officer of FMR LLC. Members of the family of Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders’ voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders’ voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act (“Fidelity Funds”) advised by Fidelity Management & Research Company (“FMR Co”), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds’ Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds’ Boards of Trustees.

(15) Beneficial ownership is as of December 31, 2016, as reflected in a statement on Schedule 13G filed by Daiwa Asset Management Co. Ltd (“Daiwa”) with the SEC on February 7, 2017. Daiwa has its principal business office at GranTokyo North Tower, 9-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan 100-6753. Daiwa has the sole power to dispose of 42,300 shares of common stock owned, shared power to dispose of 17,737,840 shares owned and the sole power to vote or direct the voting of 17,780,140 shares owned.

(16) Beneficial ownership is as of December 31, 2016, as reflected in a statement on Schedule 13G filed by State Street Corporation (“State Street”) with the SEC on February 10, 2017. State Street has its principal business office at State Street Financial Center, One Lincoln Street, Boston, MA 02111, State Street has shared power to dispose of 15,725,877 shares owned and the shared power to vote or direct the voting of 15,725,877 shares owned. State Street is the beneficial owner as a result of being a parent company or control person of the following subsidiaries, each of which holds less than 5% of the outstanding shares of common stock: State Street Bank and Trust Company; SSGA Funds Management, Inc.; State Street Global Advisors, Ltd; State Street Global Advisors,

Australia, Limited; State Street Global Advisors (Asia) Limited; State Street Global Advisors (Japan) Co., Ltd;
and State Street Global Advisors France, S.A.

EXECUTIVE OFFICERS

The following table sets forth information about our executive officers. The executive officers listed below serve in their respective capacities at the discretion of our Board of Directors.

Name	Age	Office	Since
Thomas W. Toomey	56	President, Chief Executive Officer, and Director	2001
Warren L. Troupe	63	Senior Executive Vice President	2008
Jerry A. Davis	54	Senior Vice President — Chief Operating Officer	2013
Joseph D. Fisher	37	Senior Vice President — Chief Financial Officer	2017
Harry G. Alcock	54	Senior Vice President — Chief Investment Officer	2017

Set forth below is certain biographical information about our executive officers. Mr. Toomey's biographical information is provided in this proxy statement under the heading "Proposal No. 1 Election of Directors."

Mr. Troupe oversees all financial, treasury, compliance and legal functions of the Company. He joined us in March 2008 as Senior Executive Vice President. In May 2008, he was appointed the Company's Corporate Compliance Officer and in October 2008 he was named the Company's Corporate Secretary. Prior to joining us, Mr. Troupe was a partner with Morrison & Forester LLP from 1997 to 2008. He currently serves as a member of the Executive Committee of the National Multifamily Housing Council (NMHC), and is a member of the Urban Land Institute.

Mr. Davis oversees property operations, human resources and technology. He originally joined us in March 1989 as Controller and subsequently moved into Operations as an Area Director and in 2001 he accepted the position of Chief Operating Officer of JH Management Co., a California-based apartment company. He returned to the Company in August 2002 and, in 2013, Mr. Davis was promoted to Senior Vice President — Chief Operating Officer. He began his career in 1984 as a Staff Accountant for Arthur Young & Co. He currently serves as a member of the Executive Council of the NMHC, and is on the Board of Directors of the National Apartment Association.

Mr. Fisher oversees the areas of accounting, tax, financial planning and analysis, investor relations and SEC reporting. He joined us in January 2017 as Senior Vice President — Chief Financial Officer. Mr. Fisher previously served as Co-Head of the Americas and Co-Lead Portfolio Manager at Deutsche Asset and Wealth Management since 2007. Prior to serving in those positions, he was Associate, Structured Debt Investments from April 2005 to June 2007, and Portfolio Analyst, Portfolio Management Group from May 2004 to June 2006. From June 2003 to May 2004, Mr. Fisher was an Asset Management Analyst at Principal Real Estate Investors.

Mr. Alcock oversees the Company's acquisitions, dispositions, development, redevelopment and asset management. He joined us in December 2010 as Senior Vice President — Asset Management and in February 2017 was promoted to Senior Vice President — Chief Investment Officer. Prior to joining the Company, Mr. Alcock was with AIMCO for over 16 years, serving most recently as Executive Vice President, Co-Head of Transactions and Asset Management. He was appointed Executive Vice President and Chief Investment Officer in 1999, a position he held through 2007. Mr. Alcock established and chaired AIMCO's Investment Committee, established the portfolio management function and at various times led the property debt and redevelopment departments. He currently serves as a member of the Executive Council of the NMHC, and is a member of the Multifamily Gold Council for Urban Land Institute.

EXECUTIVE
COMPENSATION

Compensation Discussion and Analysis

In this section, we describe the material components of our executive compensation program for our NEOs, whose compensation is set forth in the 2016 Summary Compensation Table and other compensation tables contained in this Proxy Statement:

NAMED EXECUTIVE OFFICERS (NEOs)

- Thomas W. Toomey, Chief Executive Officer and President;
 - Harry G. Alcock, Senior Vice President — Chief Investment Officer; and
 - Warren L. Troupe, Senior Executive Vice President;
 - Thomas M. Herzog, former Senior Vice President — Chief Financial Officer.*
 - Jerry A. Davis, Senior Vice President — Chief Operating Officer;
- *Mr. Herzog resigned effective June 3, 2016.

We also provide an overview of our executive compensation philosophy and our executive compensation program. In addition, we explain how and why our Compensation Committee arrived at the specific compensation decisions involving the NEOs for fiscal year 2016.

2016 Financial Performance

UDR delivered a total shareholder return of 0.27% during 2016, and our 3 year total shareholder return exceeded both the FTSE Apartment REIT Index and the FTSE NAREIT Equity Index and our 5 year total shareholder return exceeded the FTSE Apartment REIT Index.

1, 3 and 5 Year Total Shareholder Return as of December 31, 2016

	1-Year	3-Year	5-Year
UDR	0.27%	73.25%	73.26%
FTSE Apartment REIT Index	2.86%	67.24%	67.76%
FTSE NAREIT Equity Index	8.52%	45.74%	76.30%
S&P 500	11.96%	29.57%	98.18%

177th Consecutive Dividend Paid

Our January 2017 dividend represented our 177th consecutive quarterly dividend paid. We are committed to returning value to our shareholders and have increased our dividend 7.9% annually over the past 3 years.

2016

Operating

Performance

Improvement of our Five Strategic Objectives

Our 2016 results consisted of improvement across all five of our strategic objectives, which are; 1) increase cash flow to support dividend growth, 2) maintain a flexible / strong balance sheet, 3) strengthen the quality of our portfolio, 4) capital allocation and 5) create a great place to work and live. Below is a summary of our results categorized by objective.

1. Increase Cash Flow to Support Dividend Growth

Same-Store Revenue Growth

Second best of the 8 multifamily peers in 2016 (NYSE: AIV, AVB, CPT, EQR, ESS, MAA, and MORE)⁽¹⁾.

Same-Store Revenue Growth: 5.7%, exceeded the apartment peer average by 140 bps.

Performed in-line with original 2016 guidance on all same-store metrics.

(1) AIV: Apartment Investment and Management Company; AVB: AvalonBay Communities, Inc.; CPT: Camden Property Trust; EQR: Equity Residential; ESS: Essex Property Trust, Inc.; MAA: Mid-America Apartment Communities, Inc.; and MORE: Monogram Residential Trust.

*We present reconciliations of certain non-GAAP financial measures to their most directly comparable US generally accepted accounting principles (GAAP) measures in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Apartment Community Operations” in our 2016 Annual Report, including reconciliations of net income/loss reported under GAAP to NOI, FFO, FFO as Adjusted and AFFO, as well as additional information about non-GAAP measures.

29 | UDR PROXY STATEMENT AND NOTICE OF ANNUAL MEETING OF STOCKHOLDERS | 2017

Same-store net operating income growth

Second best of the 8 multifamily peers in 2016.

Same-store net operating income (“NOI”) growth: 6.5% (see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Apartment Community Operations” in our 2016 Annual Report for a reconciliation of net income/loss reported under US generally accepted accounting principles (GAAP) to NOI, as well as additional information about this non-GAAP measure).

Exceeded the apartment peer average by 124 bps.

2016 FFO, FFO as Adjusted and AFFO all exceeded the midpoint of beginning of year guidance ranges (see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Funds from Operations, Funds from Operations as Adjusted and Adjusted Funds from Operations” in our 2016 Annual Report for a reconciliation of net income/loss reported under US GAAP to FFO, FFO as Adjusted and AFFO, as well as additional information about these non-GAAP measures).

2. Flexible / Strong Balance Sheet

*We present reconciliations of certain non-GAAP financial measures to their most directly comparable US generally accepted accounting principles (GAAP) measures in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Apartment Community Operations” in our 2016 Annual Report, including reconciliations of net income/loss reported under GAAP to NOI, FFO, FFO as Adjusted and AFFO, as well as additional information about non-GAAP measures.

^(a) We present reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures, as well as additional information, in “Definitions” on page 76.

3. Strengthen Quality of Our Portfolio

4. Capital Allocation

Delivered on Transactions

Delivered the \$163 million (UDR's share) / 447 apartment home 399 Fremont development at a spread of 2.0% to market cap rates. Upon stabilization, \$79 million (UDR's share) of incremental Net Asset Value over construction cost is expected to be produced or 48%.

Construction was completed on four West Coast Development JV communities located in Anaheim, CA, Los Angeles, CA and Seattle, WA with a total going-in valuation of \$445 million.

Commenced the construction of 345 Harrison Street, a 585-home development in Boston's South End, with an estimated cost of \$367 million.

Commenced the construction of Crescent Heights, a 150-home development in a 50% / 50% joint venture with MetLife in Los Angeles, CA, with a total estimated cost of \$126 million and an expected completion of 2018.

Continued advancing the Company's \$913 million underway development pipeline and its \$217 million pro-rata share of the completed, non-stabilized development projects. In total, \$19 million of incremental AFFO is expected to be produced by the underway development pipeline and the completed, non-stabilized developments.

Sold \$236 million of non-core assets in 7 communities / 1,402 apartment homes and one core operating property with 380 apartment homes for \$49 million, a gain of \$201 million.

Simplified the Company's joint venture relationship with MetLife through a variety of strategic transactions.

5. A Great Place to Work and Live

UDR strives to create a great place to both work and live. We measure our success of this strategic objective through associate and resident online surveys. During 2016 we increased both our associate engagement scores and our resident satisfaction scores compared to the previous year.

Compensation Philosophy and Objectives

Our executive compensation program has four principal goals:

- attract, retain and motivate effective executive officers;
- align the interests of our executive officers with the interests of the Company and our stockholders;
- incentivize our executive officers based on clearly defined performance goals and measures of successful achievement; and
- align market competitive compensation with our short-term and long-term performance.

Our Compensation Committee determines the form and amount of compensation, as well as the overall structure of our executive compensation program. The compensation of our “named executive officers,” who are identified above, is comprised of a mix of base salary, short-term incentive compensation and long-term incentive compensation. The composition of our named executive officers’ compensation is determined based on the consideration of a number of factors described in more detail below, including a periodic review of relevant comparative market information and alignment of strategic and tactical objectives agreed upon by the board.

Under our executive compensation program, as an executive officer’s level of responsibility increases with his or her relative ability to impact the long-term performance of the Company as a whole, a greater portion of that executive officer’s compensation is based on performance-based incentive compensation, and less is based on base salary, thereby creating the potential for greater variability in the executive officer’s compensation level from year to year. The mix, level and structure of the components of compensation generally reflect the executive officer’s role and relative impact on business results as well as competitive market practices.

Our 2016 performance, including our 2016 performance relative to our peers, along with the individual performance of our named executive officers, including their contributions toward the achievements outlined below, served as key factors in determining compensation for 2016. Consistent with our variable pay-for-performance philosophy, the compensation mix for our CEO and the other named executive officers in 2016 placed a greater emphasis on performance-based incentive compensation, as demonstrated in the graphics below showing the breakdown of our CEO’s Total Direct Compensation for 2016 and our named executive officers’ Total Direct Compensation for 2016. For this purpose, the term “Total Direct Compensation” refers to total cash compensation (including salary and short-term incentive compensation) and the annualized value of target long-term incentive compensation and “Fixed” refers to compensation that was determined at the beginning of 2016 and “Variable” refers to the compensation components that are determined based on the performance of the Company and the executive.

Our 2016 Incentive Compensation Programs

The 2016 incentive compensation programs were focused on providing short-term and long term compensation based on rigorous performance objectives:

2016 SHORT-TERM INCENTIVE

COMPENSATION:

PERFORMANCE METRICS

(70% based on Company performance;
30% based on individual executive performance)

ü FFO as Adjusted per share

Same-Store Revenues

ü Percentile ranking of public apartment REITs by market

ü Development/Redevelopment FFO

ü Calculated as NOI plus capitalized interest

ü Net Financial Funding Requirements

ü Net Transactions - Investments

ü Acquisitions/Sales/Development/Redevelopment

2016 LONG-TERM INCENTIVE COMPENSATION:

PERFORMANCE METRICS

33.3% FFO as Adjusted Growth versus Beginning of Year Guidance

66.7% 3-Year Total Shareholder Return UDR TSR relative to Peer Median TSR

Our short-term incentive compensation awards for 2016 were based on pre-determined weighting between Company performance and individual performance. Company performance (as measured by the applicable metrics set forth in the table above) was weighted equal to or more heavily than individual performance based on the extent to which a particular named executive officer has responsibility for, and influence over, the overall performance of the Company. The 2016 LTI program award opportunity for the three-year performance period which commenced in 2016 has two separate tranches with different performance periods and vesting schedules, as follows: (i) 33.34% of the award opportunity has a FFO as Adjusted performance period of one year and will vest 50% at the one-year anniversary of the end of such performance period and 50% on the two-year anniversary thereof, and (ii) 66.66% of the award opportunity has a TSR performance period of three years and will vest 100% at the end of such three-year performance period.

In December 2014, when the Compensation Committee decided to change from a one-year to a three-year LTI Program, the Compensation Committee approved a one-time transition award opportunity commencing in 2015. This transition award opportunity was divided into two separate tranches with different performance periods and vesting schedules, as follows: (i) 33.34% of the award opportunity has a FFO as Adjusted performance period of one year and will vest 50% at the one-year anniversary of the end of such performance period and 50% on the two-year anniversary thereof (the performance for this component was measured as of December 31, 2015), and (ii) 66.66% of the award opportunity has a TSR performance period of two years and will vest 100% at the end of such two-year performance period (the performance for this component was measured as of December 31, 2016). The overall effect of this transition program was to ensure consistent award opportunity during the “phase-in” period for the LTI program described above.

Commencing in 2016, the Compensation Committee completed the transition to the standard three-year performance periods and award opportunities described above.

Say on Pay

Our stockholders have consistently supported our executive compensation program. At our 2016 Annual Meeting of Stockholders, over 89.3% of the votes cast were voted in favor of our resolution seeking advisory approval of our executive compensation. Over the last three years, stockholder support for our advisory vote on executive compensation has averaged 91.4% (with no year below 89.1%). While we have consistently had strong stockholder support for our executive compensation program, we do continue to engage in a dialogue with stockholders on executive compensation issues. We will continue to consider the outcome of future advisory votes on executive compensation when establishing the Company's compensation programs and policies and making compensation decisions regarding our named executive officers.

Our Compensation Best Practices

Our compensation policies and programs are built upon a strong foundation of corporate governance and compensation best practices, including:

WE DO:

Provide a significant portion of our named executive officers' total compensation in the form of awards tied to our long-term strategy and our performance relative to key business and personal objectives and performance versus our peers.

Require compliance with our Executive Stock Ownership Guidelines, which require that our executive officers own a specified number of shares of the Company's common stock.

Have a Policy on Recoupment of Performance-Based Incentives, which applies to our executive officers, including our named executive officers, and their performance-based incentive compensation.

Have a Compensation Committee comprised entirely of independent directors and the Compensation Committee has retained its own independent compensation advisor.

Have a Compensation Committee that reviews external market considerations, as well as internal considerations and the long-term interests of our stockholders, when making compensation decisions.

Have the ongoing consideration and oversight by the Compensation Committee with respect to any potential risks associated with our incentive compensation programs.

WE DO NOT:

X Have any employment agreements with our named executive officers.

X Permit any Company personnel, including our named executive officers, to engage in any short-term, speculative securities transactions, engage in short sales, buying or selling put or call options, trading in options (other than those granted by the Company) and engaging in hedging transactions.

X Permit purchasing securities on margin or pledging securities as collateral without prior approval.

X Provide tax gross-ups for our named executive officers.

X Grant only time-vested restricted stock, restricted stock units, LTIP Units, options or other equity awards to our named executive officers, other than in limited circumstances such as the appointment of a new executive officer or to recognize extraordinary achievements.

X Time the grants of restricted stock, restricted stock units, LTIP Units, options or other equity awards to coordinate with the release of material non-public information, or time the release of material non-public information for the purpose of affecting the value of any named executive officer compensation.

Compensation Design and Philosophy

Our compensation philosophy is to attract and retain executive talent and to align the interests of our named executive officers with the interests of our stockholders by providing market competitive compensation that is tied to short-term and long-term performance goals set by the Compensation Committee. The compensation of our named executive

officers is comprised of a mix of base salary, short-term incentive compensation and long-term incentive compensation. The Compensation Committee considers a variety of factors, including an executive officer's role and responsibilities and the levels of compensation necessary to remain competitive, when determining the target amount of compensation for each of the named executive officers.

Consistent with this philosophy, our compensation programs are designed to further our strategic plan and our goal of increasing stockholder value by providing equitable economic motivation to our executive officers and other key employees. The compensation of each of our executive officers is influenced significantly by the executive officer's individual performance as well as the Company's overall performance, taking into account competitive pay practices. More specifically, our compensation program seeks to:

- be grounded in the mission of our business and reflect key strategic imperatives and talent needs,
- become a strategic advantage rather than simply a means for staying competitive,
- provide appropriate incentives for the executive officers while aligning their interests with those of our stockholders,
- provide market competitive compensation in order to attract, retain and reward experienced and highly-motivated executives who can contribute to our long-term growth and profitability,
- focus executive officers on current and long-term business objectives and critical issues,
- mitigate risk by emphasizing long-term compensation and financial performance measures correlated with growing stockholder value, and
- remain consistent with our operating style, shared values, compensation history and overall culture.

The Compensation Committee

Our Compensation Committee is composed of independent directors and is responsible for developing and administering compensation programs for (1) our directors, (2) executive officers, including base salaries and short-term and long-term incentive compensation plans, and (3) all long-term incentive compensation plans for our associates. The board meets each year in executive session to discuss the individual director's evaluation of the CEO. After the board meets, the members of the Compensation Committee meet each year in executive session, without the CEO present, to evaluate the performance of our CEO. When evaluating the performance of our CEO, the Compensation Committee considers, among other materials, evaluations of our CEO that are provided by the members of the board. Our CEO makes recommendations to, and consults with, the Compensation Committee with respect to the compensation for the executive officers who report directly to our CEO. The Compensation Committee, in consultation with our CEO, sets the base salaries for the year for these executive officers and approves salary ranges for other executive officers.

Compensation Consultants

The Compensation Committee has the sole authority to retain and terminate any compensation consultants to be used to assist in establishing compensation for our executive officers and to approve such consultants' fees and other retention terms. The Compensation Committee selected FPL to serve as the Compensation Committee's independent compensation consultant.

FPL reports directly to the Compensation Committee and the Compensation Committee is free to replace FPL or to hire additional consultants from time to time. FPL does not have any conflict of interest with the Company, the members of the Compensation Committee or our executive officers.

As part of its engagement, FPL provided the Compensation Committee and our CEO with, among other things, analyses regarding market pay, which the Compensation Committee considered as part of its analysis of the compensation of our named executive officers. In addition, FPL reviewed the competitiveness of the pay levels of our named executive officers and certain other officers against pay levels for the diversified public REIT peer group, discussed below.

Consideration of Market Data

Consistent with the Company's goal to provide compensation that remains competitive, the Compensation Committee considers the executive compensation practices of companies in a peer group selected by the Company in consultation with FPL as one of several factors used in setting compensation. The Compensation Committee does not target a specific percentile range within the peer group when determining a named executive officer's compensation. Instead, the Compensation Committee uses the market data provided by the peer group as one of several reference points useful for determining the form and amount of compensation.

The Compensation Committee reviews the peer group annually. The companies comprising the peer group must be publicly traded REITs based in the United States and of a size and equity market capitalization that are comparable to UDR.

For 2016, the peer group, which we refer to herein as either the "diversified public REIT peer group" or the "peer group," included the companies listed in the table below. The companies listed below consist of six apartment REITs and eleven comparably-sized REITs in other property sectors, recognizing that UDR competes with all REITs for executive talent and capital.

Peer Group Company ⁽¹⁾	NYSE Symbol	Equity Market Capitalization December 31, 2016 ⁽²⁾ (In millions)	2016 Fiscal Year End Total Assets (In millions)	NAREIT Property Sector
Apartment Investment and Management Company	AIV	\$ 7,131	\$ 6,233	Apartments
AvalonBay Communities Inc.	AVB	\$ 24,327	\$ 17,867	Apartments
Brixmor Property Group, Inc.	BRX	\$ 7,432	\$ 9,320	Retail
Camden Property Trust	CPT	\$ 7,354	\$ 6,028	Apartments
DDR Corp.	DDR	\$ 5,593	\$ 4,391	Retail
Digital Realty Trust	DLR	\$ 15,617	\$ 12,193	Data Center
Equity Residential	EQR	\$ 23,534	\$ 20,704	Apartments
Essex Property Trust, Inc.	ESS	\$ 15,233	\$ 12,217	Apartments
Extra Space Storage	EXR	\$ 9,717	\$ 7,091	Storage
Federal Realty Investment Trust	FRT	\$ 10,202	\$ 5,423	Retail
Host Hotels & Resorts, Inc.	HST	\$ 13,939	\$ 11,408	Lodging
Kimco Realty Corporation	KIM	\$ 10,694	\$ 11,231	Retail
Mid-America Apartment Communities, Inc.	MAA	\$ 11,118	\$ 11,604	Apartments
The Macerich Company	MAC	\$ 10,181	\$ 9,958	Retail
Regency Centers Corporation	REG	\$ 7,205	\$ 4,489	Retail
SL Green Realty	SLG	\$ 10,897	\$ 15,858	Office
Taubman Centers, Inc.	TCO	\$ 4,468	\$ 4,011	Retail
Peer Average		\$ 11,449	\$ 10,002	
Peer Median		\$ 10,202	\$ 9,958	
UDR		\$ 10,820	\$ 7,680	
UDR Rank (out of 18)		8	11	

(1) CBL & Associates Properties and Duke Realty Corp. were replaced in the peer group by Brixmor Property Group, Inc. and Extra Space Storage.

(2) Equity Market Capitalization based upon data from Thomson Reuters as of December 31, 2016.

Use of Judgment

The Committee believes that the application of its collective experiences and judgment is as important to excellence in compensation as the use of data and formulae, and the Company's compensation policies and practices as described herein reflect this belief. Market data provides an important tool for analysis and decision-making. However, the Committee believes that over-reliance on data can give a false illusion of precision. Consequently, the Committee also gives consideration and emphasis to an individual's personal contributions to the organization, as well as his or her skill sets, qualifications and experience. We also value and seek to reward performance that develops talent within the Company, embraces the sense of urgency that distinguishes the Company and demonstrates the qualities of imagination and drive that enables a Company executive to resolve longer-term challenges, or important new issues. These and

similar qualities and attributes are not easily correlated to typical compensation data, but also deserve and are given consideration and weight in reaching compensation decisions.

Components of Compensation

The mix, level and structure of the components of our named executive officers' compensation generally reflect real estate industry practices, as well as the executive's role and relative impact on business results consistent with our variable pay-for-performance philosophy. The mix of compensation elements for our named executive officers places relatively greater emphasis on at-risk incentive compensation, as compared with the median mix of compensation elements for the companies in our peer group. As an executive officer's level of responsibility increases consistent with his or her relative ability to impact the long-term performance of the Company as a whole, a greater portion of the named executive officer's compensation is based on performance-based incentive compensation and less on base salary, thereby creating the potential for greater variability in the individual's compensation level from year to year.

The key components of our named executive officers' compensation, base salary, short-term incentive compensation, and long-term incentive compensation, are described in more detail in the following table:

Compensation Component	Objectives Associated with the Compensation Component	Key Features of the Compensation Component	Additional Information
Base Salary	<ul style="list-style-type: none"> Designed to reward individual effort associated with job-related duties and to attract and retain talented executive officers for our Company. 	<ul style="list-style-type: none"> Paid in cash. The Compensation Committee annually reviews and determines the base salary of our named executive officers in consultation with our CEO. Depending on the particular executive officer, short-term incentive compensation may be in the form of cash, restricted stock and/or stock options. 	<ul style="list-style-type: none"> The considerations in setting base salary include: qualifications, experience level, competitive market for qualified executives and tenure.
Short-Term Incentive Compensation	<ul style="list-style-type: none"> Designed to encourage outstanding individual and Company performance by motivating the named executive officers to achieve short-term Company and individual goals by rewarding performance measured against key annual strategic objectives and, for the CEO, using the independent directors' evaluation of the CEO's performance towards achieving short-term goals. Designed to provide a strong incentive for each named executive officer to maximize Company performance. 	<ul style="list-style-type: none"> The threshold, target and high dollar amounts for short-term incentive compensation are generally established in February each year, with the value of the award paid in February of the following year based upon an evaluation of achievement of goals established at the time the targets are set. 	<ul style="list-style-type: none"> Short-term incentive compensation is based on pre-determined weighting between Company performance and individual performance with Company performance weighted more heavily or equal to individual performance. The relative weightings are determined based on the extent to which a particular executive officer has responsibility for and influence over overall Company performance. 2016 Performance Metrics: <ul style="list-style-type: none"> - Funds from Operations ("FFO") as Adjusted - Development/ Redevelopment FFO - Same-Store Revenues - Net Financial Funding Requirements - Total Transactions

Performance Metric	Calculation Methodology	
Funds From Operations (“FFO”) as Adjusted	<p>The Company defines FFO as Adjusted as FFO as reported, excluding the impact of acquisition-related costs and other non-recurring items including, but not limited to, prepayment costs/benefits associated with early debt retirement, gains on sales of marketable securities and taxable REIT subsidiary property, deferred tax valuation allowance increases and decreases, storm-related expenses, severance costs and legal costs. The Company defines FFO, as reported, as net income (computed in accordance with GAAP), excluding impairment write-downs of depreciable real estate or of investments in non-consolidated investees that are driven by measurable decreases in the fair value of depreciable real estate held by the investee, gains (or losses) from sales of depreciable property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. This definition conforms with the National Association of Real Estate Investment Trust’s definition issued in April 2002.</p>	
Development/Redevelopment FFO	<p>The Company defines Development/Redevelopment FFO as the Net Operating Income, including retail NOI, plus capitalized interest from certain development and redevelopment projects.</p>	
Same-Store Revenues	<p>The Company defines “Same-Store” as those communities stabilized as of a specific point in time. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the prior year, there is no plan to conduct substantial redevelopment activities, and the community is not held for disposition within the current year. Same-Store Revenue is measured by the percentage of markets for which UDR’s Same-Store Revenue is at or above the median relative to its peers.</p>	
Net Financial Funding Requirements	<p>The Company defines Net Financial Funding Requirements as projected year-end 2016 credit capacity less 2017-2018 net approved and likely to be approved development spend, and debt maturities with extensions. The benchmark is subsequently modified for changes in approved and likely to be approved development and redevelopment spend.</p>	
Total Transactions	<p>The Company defines Total Transactions as the sum of total acquisitions, development spend (including participating debt), redevelopment spend and total dispositions.</p>	

Compensation Component	Objectives Associated with the Compensation Component	Key Features of the Compensation Component	Additional Information
Long-Term Incentive Compensation (“LTI”)	<p>Our LTI compensation is designed to foster significant ownership of our common stock by our management, to closely align the interests of our management with the creation of stockholder value and to motivate our management to achieve long-term growth and success of our Company.</p>	<p>Our LTI compensation consists of equity awards which vest only if the Company meets pre-determined performance targets over a specific performance period established by the Compensation Committee. Equity awards may consist of one or a combination of any of the following: restricted stock; restricted stock units; LTIP Units; and stock options.</p>	<p>Long-term incentive compensation is the most significant component of the named executive officer’s compensation.</p>

The threshold, target and maximum dollar values for long-term incentive compensation are generally established at the commencement of the performance period and awarded in the form of restricted stock, restricted stock units, LTIP Units and/or stock options, with the actual dollar value awarded determined at the end of the performance period based upon actual achievement of the goals established at the time the threshold, target and maximum dollar values are set. Each award vests in accordance with the terms established by the Compensation Committee. The 2016 LTI Program awards vest based upon the achievement of two quantitative performance objectives over one- and three-year performance periods.

Retirement Plans. We have a Profit Sharing Plan (the “401(k) Plan”), which is a defined contribution plan covering all eligible full-time employees. Under the 401(k) Plan, the Company makes discretionary profit sharing and matching contributions to the plan as determined by the Compensation Committee. Details regarding matching contributions for our named executive officers are set forth below under the Summary Compensation Table. UDR does not have a pension plan, a SERP or any similar arrangements.

Perquisites and Other Benefits. The primary perquisites that we offer to our named executive officers are Company-paid health insurance (including dental), life insurance, long-term disability insurance and accidental death and disability insurance. Our named executive officers participate in these benefit plans on the same terms as other employees. In addition to the group medical plans that we provide, we reimburse up to a maximum of \$5,000 in expenses for annual physical exams for our named executive officers. To help us attract and retain qualified personnel, we also offer relocation benefits, but these benefits are individually negotiated when they occur.

We review our policies with respect to perquisites on a regular basis to consider whether the perquisites should be maintained and whether, or to what extent, it may be appropriate for us to discontinue particular perquisites or to require repayment of the cost of perquisites. During 2016, we did not change our policies with respect to perquisites that we offer to our CEO and other named executive officers.

The Compensation of Our Named Executive Officers for 2016

Base Salaries

The base salaries for 2016 were determined to be as follows:

Short-Term Incentive Compensation

2016 Results. The Company's 2016 performance, as measured by the performance metrics utilized for determining short-term incentive compensation for the named executive officers, was as follows:

Performance Measure	Threshold	Target	High	2016 Result
FFO as Adjusted per share	\$1.74	\$1.78	\$1.82	\$1.79
Same-Store Revenues (percentage of markets where UDR is at or above the median relative to peer apartment REITs)	50%	60%	70%	79%
Development/Redevelopment FFO (calculated as NOI plus capitalized interest)	\$59 million	\$62 million	\$65 million	\$63 million
Net Financial Funding Requirements	\$(209) million	\$(109) million	\$(9) million	\$200 million
Total Transactions	\$601 million	\$668 million	\$735 million	\$910 million

Short-Term Incentive Compensation of CEO (Mr. Toomey). The Compensation Committee established the following range for Mr. Toomey's 2016 short-term incentive compensation:

with 70% based on the Company's performance as measured by the four annual performance metrics that were weighted as described below, and

the remaining 30% based on his individual performance against the Board of Directors-approved leadership competencies and key performance objectives.

The Compensation Committee determined that the above-referenced amounts were consistent with the target short-term incentive compensation as a percentage of overall compensation for the CEO position, and these amounts provide a market competitive level of compensation for the CEO. The Compensation Committee also made a subjective determination that these amounts were appropriate to motivate Mr. Toomey to achieve short-term Company and individual goals and to help ensure Mr. Toomey's continued service with the Company.

The annual performance metrics that were used for determining the 2016 short-term incentive compensation for Mr. Toomey were as follows:

Performance Measure	Weight	Threshold	Target	High	Actual
FFO as Adjusted per share	40%	\$1.74	\$1.78	\$1.82	\$1.79
Same-Store Revenues (percentage of markets where UDR is at or above the median relative to peer apartment REITs)	30%	50%	60%	70%	79%
Development/Redevelopment FFO (calculated as NOI plus capitalized interest)	20%	\$59 million	\$62 million	\$65 million	\$63 million
Net Financial Funding Requirements	10%	\$(209) million	\$(109) million	\$(9) million	\$200 million

Mr. Toomey's individual goals for 2016 were as follows:

- (1) set the vision for the Company,
- (2) strategic planning,
- (3) leadership of the Company,
- (4) execution,
- (5) board relations,
- (6) development of a 2-year Business Plan and strategic vision,
- (7) communication - responding to a changing market,
- (8) resolving areas for which the board requests further discussion and analysis, and
- (9) management team development and succession.

In evaluating Mr. Toomey's 2016 compensation, the Compensation Committee considered Mr. Toomey's accomplishment of these goals.

In February 2017, the Compensation Committee awarded Mr. Toomey short-term incentive compensation in the amount of \$1,617,000 for fiscal 2016, based on the Company's performance against the annual performance metrics and his individual performance. Of the total amount, \$1,077,000 was attributable to the Company's performance against the annual performance metrics and the remainder was attributable to Mr. Toomey's individual performance.

Short-Term Incentive Compensation of Senior Executive Vice President (Mr. Troupe). The Compensation Committee established the following range for Mr. Troupe's 2016 short-term incentive compensation:

with 70% based on the Company's performance as measured by the three annual performance metrics that were weighted as described below, and the remaining 30% based on his individual performance.

The Compensation Committee determined that these amounts were consistent with the target short-term incentive compensation as a percentage of overall compensation for the Senior Executive Vice President position, and these amounts provide a market competitive level of compensation for the Senior Executive Vice President. The Compensation Committee, in consultation with our CEO, also made a subjective determination that these amounts were appropriate to motivate Mr. Troupe to achieve short-term Company and individual goals and to help ensure Mr. Troupe's continued service with the Company.

The annual performance metrics that were used for determining the 2016 short-term incentive compensation for Mr. Troupe were as follows:

Performance Measure	Weight	Threshold	Target	High	Actual
FFO as Adjusted per share	40%	\$1.74	\$1.78	\$1.82	\$1.79
Net Financial Funding Requirements	30%	\$(209) million	\$(109) million	\$(9) million	\$200 million
Total Transactions	30%	\$601 million	\$668 million	\$735 million	\$910 million

Mr. Troupe's individual goals for 2016 were as follows:

- (1) maintaining a flexible/strong balance sheet,
- (2) transactions - assist in coordination of acquisitions/sales, joint ventures and financings,
- (3) overseeing joint venture relationships,
- (4) compliance - oversee regulatory filings, internal audit, contract policy and corporate governance, and
- (5) legal team - develop and review with the executive team the legal team of the future.

In February 2017, the Compensation Committee awarded Mr. Troupe short-term incentive compensation in the total amount of \$1,202,000 for fiscal 2016, based on the Company's performance against the annual performance metrics, and his individual performance. Of the total amount, \$852,000 was attributable to the Company's performance against the annual performance metrics and the remainder was attributable to Mr. Troupe's individual performance.

Short-Term Incentive Compensation of Senior Vice President — Chief Operating Officer (Mr. Davis). The Compensation Committee established a range for Mr. Davis's 2016 short-term incentive compensation as follows: with 70% based on the Company's performance as measured by the three annual performance metrics that were weighted as described below, and 30% based on his individual performance.

The Compensation Committee determined that these amounts were consistent with the target short-term incentive compensation as a percentage of overall compensation for the Senior Vice President - Chief Operating Officer position, and these amounts provide a market competitive level of compensation for the Senior Vice President - Chief Operating Officer. The Compensation Committee, in consultation with our CEO, also made a subjective determination that these amounts were appropriate to motivate Mr. Davis to achieve short-term Company and individual goals and to help ensure Mr. Davis's continued service with the Company.

The annual performance metrics that were used for determining the 2016 short-term incentive compensation for Mr. Davis were as follows:

Performance Measure	Weight	Threshold	Target	High	Actual
FFO as Adjusted per share	30%	\$1.74	\$1.78	\$1.82	\$1.79
Same-Store Revenues	50%	50%	60%	70%	79%
Development/Redevelopment FFO	20%	\$59 million	\$62 million	\$65 million	\$63 million

The Compensation Committee, in consultation with our CEO, considered Mr. Davis's individual performance in 2016 based on the accomplishment of his specific goals that included:

- (1) increasing cash flow to support dividend growth through operations, sales and marketing and personal development, and
- (2) maintaining a great place to work and live, considering human resources and resident satisfaction.

In February 2017, the Compensation Committee awarded Mr. Davis short-term incentive compensation in the total amount of \$1,087,000 for fiscal 2016, based on the Company's performance against the annual performance metrics, and his individual performance. Of the total amount, \$737,000 was attributable to the Company's performance against the annual performance metrics and the remainder was attributable to Mr. Davis' individual performance.

Short-Term Incentive Compensation of Senior Vice President — Chief Investment Officer (Mr. Alcock). The Compensation Committee established a range for Mr. Alcock's 2016 short-term incentive compensation as follows: with 70% based on the Company's performance as measured by the three annual performance metrics that were weighted as described below, and 30% based on his individual performance.

The Compensation Committee, in consultation with our CEO, determined that these amounts were consistent with the target short-term incentive compensation as a percentage of overall compensation for the Senior Vice President — Chief Investment Officer position, and these amounts provide a market competitive level of compensation for the Senior Vice President — Chief Investment Officer. The Compensation Committee, in consultation with our CEO, also made a subjective determination that these amounts were appropriate to motivate Mr. Alcock to achieve short-term Company and individual goals and to help ensure Mr. Alcock's continued service with the Company.

The annual performance metrics that were used for determining the 2016 short-term incentive compensation for Mr. Alcock were as follows:

Performance Measure	Weight	Threshold	Target	High	Actual
FFO as Adjusted per share	30%	\$1.74	\$1.78	\$1.82	\$1.79
Development/Redevelopment FFO	40%	\$59 million	\$62 million	\$65 million	\$63 million
Total Transactions	30%	\$601 million	\$668 million	\$735 million	\$910 million

The Compensation Committee, in consultation with our CEO, considered Mr. Alcock's individual performance in 2016 based on the accomplishment of his specific goals that included:

- (1) strengthening the portfolio through sales and acquisitions,
- (2) overseeing redevelopment and asset quality initiatives, and
- (3) strengthening the Company's portfolio.

In February 2017, the Compensation Committee awarded Mr. Alcock short-term incentive compensation in the total amount of \$998,000 for fiscal 2016, based on the Company's performance against the annual performance metrics, and his individual performance. Of the total amount, \$698,000 was attributable to the Company's performance against the annual performance metrics and the remainder was attributable to Mr. Alcock's individual performance.

Short-Term Incentive Compensation of Senior Vice President — Chief Financial Officer (Mr. Herzog). Mr. Herzog resigned as the Company’s Chief Financial Officer effective June 3, 2016. As a result of his resignation, Mr. Herzog did not receive any short-term incentive compensation for 2016.

2015 LTI Compensation

In December 2014, when the Compensation Committee determined to change from a one year to a three year LTI Program, the Compensation Committee approved a one-time transition award opportunity commencing in 2015. This transition award opportunity was divided into two separate tranches with different performance periods and vesting schedules, as follows: (i) 33.34% of the award opportunity has a FFO as Adjusted performance period of one year and will vest 50% at the one-year anniversary of the end of such performance period and 50% on the two-year anniversary thereof (the performance for this component was measured as of December 31, 2015), and (ii) 66.66% of the award opportunity has a TSR performance period of two years and will vest 100% at the end of such two-year performance period (the performance for this component was measured as of December 31, 2016). The overall effect of this transition program was to ensure consistent award opportunity during the “phase-in” period for the LTI program described above.

Commencing in 2016, the Compensation Committee completed the transition to the standard three-year performance periods and award opportunities described above.

The following table reflects the Company’s performance and the plan payout for the 2 year TSR transition grant:
Transition Grants

Performance Metric	Range	Metric	Payout	Actual Result
2 Year Total Shareholder Return	Below Threshold	Lower than -250	0%	Metric Payout 9.9%
UDR TSR versus Peer Average in BPS	Threshold	-250	50%	
	Target	Median	100%	+110 127.5%
	Maximum	400	200%	

2015-2016 TSR

	Threshold	Target	Maximum	2016 Actual Amount
Mr. Toomey	\$500,000	\$1,000,000	\$2,000,000	\$1,275,000
Mr. Troupe	\$183,333	\$366,667	\$733,333	\$467,900
Mr. Davis	\$183,333	\$366,667	\$733,333	\$467,900
Mr. Alcock	\$183,333	\$366,667	\$733,333	\$467,900

2016 LTI Compensation

Long-Term Incentive Compensation. Long-term incentive compensation, consisting of equity awards including restricted stock, restricted stock units, LTIP Units and/or stock options, constitute the most significant component of our executive officers’ compensation, which closely aligns their long-term interests with the long-term interests of our stockholders, while mitigating potential risks related to our compensation programs.

2016 LTI Program. The 2016 LTI Program covers consecutive, rolling three-year tranches (each consisting of 36 months) for an indefinite period.

In November of 2015, the board approved a new class of partnership interests in the Operating Partnership, called “LTIP Units,” as a form of equity-based award for annual long-term incentive equity

compensation. LTIP Units are designed to qualify as “profits interests” in the Operating Partnership for federal income tax purposes, meaning that initially they are not economically equivalent in value to a share of our common stock, but over time can increase in value to one-for-one parity with common stock by operation of special tax rules applicable to profits interests. LTIP Units are designed to offer executives a long-term incentive comparable to restricted stock or restricted stock units, while allowing them to enjoy a potentially more favorable income tax treatment. Each LTIP Unit awarded is deemed equivalent to an award of one share of common stock reserved under our 1999 Long Term Incentive Plan. The key difference between LTIP Units and restricted stock is that, at the time of award, LTIP Units do not have full economic parity with common units, but can achieve such parity over time upon the occurrence of specified events in accordance with partnership tax rules. Until and unless such parity is reached, the value that an executive will realize for a given number of vested LTIP Units is less than the value of an equal number of shares of our common stock.

During the applicable performance period, holders of LTIP Units will receive distributions equal to one-tenth (1/10th) of the amount of regular quarterly distributions paid on a unit, but will not receive any special distributions. After the end of the performance period, holders of earned LTIP Units, both vested and unvested, will be entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on a common unit (which equal per share dividends (both regular and special) on our common stock). LTIP Units awarded with time-based vesting conditions only, both vested and unvested, are entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on a common unit.

In February 2016, the named executive officers were permitted to elect to receive Class 2 LTIP Units in lieu of performance-based restricted stock units, and upon the elections of the named executive officers, the Compensation Committee awarded Class 2 LTIP Units to all of the named executive officers pursuant to the 2016 LTI Program. Subject to the conditions set forth in the Ninth Amendment to the Amended and Restated Agreement of Limited Partnership of the Operating Partnership and subject to the vesting conditions specified with respect to each Class 2 LTIP Unit (described below), each Class 2 LTIP Unit may be converted, at the election of the holder, into an OP Unit of the Operating Partnership provided that such Class 2 LTIP Unit has been outstanding for at least two years from the date of grant. A holder of OP Units has the right to require the Operating Partnership to redeem all or a portion of the OP Units held by the holder in exchange for a cash payment based on the market value of our common stock at the time of redemption. However, the Operating Partnership’s obligation to pay the cash amount is subject the prior right of the Company to acquire such OP Units in exchange for either the cash amount or shares of our common stock. The Class 2 LTIP Units are granted at maximum, and will vest only to the extent that pre-established performance metrics are met for the applicable performance period, subject to continuing employment. The vesting of one-third of the Class 2 LTIP Units shall be determined based on the achievement of pre-determined FFO as Adjusted goals over a one-year period, with 50% of that portion of the award vesting on the determination date and 50% on the first anniversary of the determination date, while the vesting of two-thirds of the Class 2 LTIP Units will be determined based on the Company’s total shareholder return relative to the median total shareholder return of an apartment peer group over a three-year performance period, with that entire portion of the award vesting on the determination date. In this way, the vesting conditions for the Class 2 LTIP Units are comparable to the vesting conditions applicable to our performance-based restricted stock units. Consistent with the treatment of other equity awards under the 1999 Plan, upon a Class 2 LTIP Unit holder’s death or disability during his or her employment, or in the event of a change of control, all restrictions on outstanding awards shall lapse; otherwise, vesting shall cease upon the date that employment is terminated for any other reason. Holders of Class 2 LTIP Units have the same voting rights as limited partners holding partnership common units in the Operating Partnership, with the LTIP Units voting together as a single class with the partnership common units and having one vote per LTIP Unit, and holders of LTIP Units shall not be entitled to approve, vote on or consent to any other matter.

The metrics utilized for the 2016 LTI Program awards are as follows:

Performance Metric	Weighting	Range	Metric	Payout	Actual Result
FFO as Adjusted Growth	33.3%	Threshold	\$1.74	50%	
		Target	\$1.78	100%	\$1.79
		Maximum	\$1.82	200%	
3 Year Total Shareholder Return (UDR Average Annual TSR versus Peer Median in BPS)	66.7%	Threshold	-250	50%	Because this is a 3 year metric, the result has not yet been determined
		Target	Median	100%	
		Maximum	400	200%	

The 2016 LTI Program awards were granted to Messrs. Toomey, Troupe, Davis, and Alcock, in the following amounts:

Total 2016 LTI Program Awards

	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$1,750,000	\$3,500,000	\$7,000,000	\$1,458,333
Mr. Troupe	\$550,000	\$1,100,000	\$2,200,000	\$458,333
Mr. Davis	\$625,000	\$1,250,000	\$2,500,000	\$520,833
Mr. Alcock	\$625,000	\$1,250,000	\$2,500,000	\$520,833

1 Year FFO as Adjusted (33.3% of 2016 LTI Program Award)

	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$583,333	\$1,166,667	\$2,333,333	\$1,458,333
Mr. Troupe	\$183,333	\$366,667	\$733,333	\$458,333
Mr. Davis	\$208,333	\$416,667	\$833,333	\$520,833
Mr. Alcock	\$208,333	\$416,667	\$833,333	\$520,833

2016-2018 TSR (66.7% of 2016 LTI Program Award)

	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$1,166,667	\$2,333,333	\$4,666,667	TBD
Mr. Troupe	\$366,667	\$733,333	\$1,466,667	TBD
Mr. Davis	\$416,667	\$833,333	\$1,666,667	TBD
Mr. Alcock	\$416,667	\$833,333	\$1,666,667	TBD

Mr. Herzog was granted \$1,250,000 of awards at target under the 2016 LTI Program, of which \$416,667 were 1 year FFO as Adjusted and \$833,333 were 2016-2018 TSR. Mr. Herzog resigned as the Company's Chief Financial Officer effective June 3, 2016. As a result of his resignation, Mr. Herzog forfeited his 2016 LTI Program grant and did not receive any long-term incentive compensation for 2016.

2017 LTI Compensation

In December 2016, the Compensation Committee approved a new long-term incentive program for 2017. Because the number of multifamily companies in the UDR defined peer group has continued to shrink due to industry consolidation, the Compensation Committee decided to revise the apartment peer group for the relative TSR performance metric to be the NAREIT Apartment Index companies for the 2017 program, as well as add additional performance metrics.

The metrics used for the 2017 LTI Program are as follows:

Performance Metrics	Weighting	Range	Metric	Payout
FFO as Adjusted	30%	Threshold	\$ 1.81	50%
		Target	\$ 1.85	100%
		Maximum	\$ 1.89	200%
3-Year Cumulative FFO as Adjusted	10%	Threshold	\$ 5.69	50%
		Target	\$ 5.91	100%
		Maximum	\$ 6.12	200%
3-Year Total Shareholder Return Percentile Rank vs. NAREIT Equity Index	30%	Threshold	30 th	50%
		Target	50 th	100%
		Maximum	75 th	200%
Cumulative 3-Year Absolute Total Shareholder Return	30%	Threshold	15%	50%
		Target	25%	100%
		Maximum	45%	200%

In recognition of Mr. Toomey's accomplishments in leading the Company as set forth below, and of the significant milestone that the Company achieved by being the 26th REIT added to the S&P 500 Index, the Committee granted Mr. Toomey a special bonus in February 2017 which consisted of \$2,000,000 in Class 1 LTIP Units that vest over four years from the date of grant.

Chief Financial Officer Resignation

On May 9, 2016, Mr. Herzog informed the Company of his resignation as the Company's Senior Vice President — Chief Financial Officer, effective June 3, 2016. In connection with his resignation, on May 12, 2016, Mr. Herzog entered into a Letter Agreement with the Company which specifies that: (i) he would be paid his accrued but unused vacation up to his resignation date; (ii) subject to the conditions set forth in the letter agreement, he may continue to participate in the Company's group health insurance plans for a specified transition period, and thereafter may continue his coverage at his own expense; and (iii) subject to the conditions set forth in the letter agreement, an outstanding restricted stock award dated February 6, 2014 for 16,286 shares of the Company's common stock and an outstanding restricted stock award dated January 1, 2015 for 12,165 shares of the Company's common stock would fully vest on the resignation date, while all other outstanding awards, 87,236 shares, would be automatically forfeited and re-conveyed to the Company, in accordance with the terms of each award agreement. Mr. Herzog is subject to certain non-disparagement, non-solicitation, confidentiality and other customary obligations pursuant to the Letter Agreement. The benefits specified in the letter agreement were conditioned on Mr. Herzog's execution and non-revocation of a release of claims against the Company and its affiliates.

Chief Financial Officer Appointment

Joseph Fisher was appointed to serve as the Company's Senior Vice President — Chief Financial Officer effective as of January 1, 2017. In connection with his appointment, Mr. Fisher will receive an annual base salary of \$400,000, which will be subject to annual review and will be eligible for a bonus of up to \$400,000, at target. Mr. Fisher also participated in the 2017 LTI Program in an amount equal to \$500,000,

at target, and he participates in the Company's employee benefit programs and 401(k) plan. Mr. Fisher was paid \$200,000 in shares of the Company's common stock as compensation for equity that Mr. Fisher forfeited at his prior employer. He was granted restricted shares of the Company's common stock equal to \$1,000,000, which consisted of 27,816 shares based on the closing sales price of the Company's common stock on the date of grant of \$35.95. The shares shall vest and become exercisable pro-rata over four years from the date of grant, January 3, 2017, and all vesting is contingent upon Mr. Fisher being an employee in good standing of the Company on the vesting dates.

Severance, Change of Control and Other Arrangements

We provide a description of the change of control provisions and the death, disability and retirement provisions in our 1999 Long Term Incentive Plan and our policy with respect to severance benefits, below under "Post-Employment Compensation — Severance, Change of Control and Other Arrangements."

Advisory Vote on Executive Compensation

At the 2016 annual meeting of stockholders, the stockholders approved, on an advisory basis, the compensation of our named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC, with over 89.3% of votes cast in favor of the resolution. The Compensation Committee reviewed the final vote results for that resolution, and we have not made any changes to our executive compensation policies or decisions as a result of the vote. While the vote on the compensation of our named executive officers is advisory, and therefore not binding on the Company, the Compensation Committee or our board, our board and our Compensation Committee value the opinions of our stockholders and, to the extent there is any significant vote against the named executive officer compensation, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns. We have determined that our stockholders should cast an advisory vote on the compensation of our named executive officers on an annual basis. Accordingly, our board recommends that you vote "FOR" Proposal No. 3 at the annual meeting. For more information, see "Proposal No. 3 Advisory Vote on Executive Compensation" in this proxy statement.

Accounting and Tax Effects

The impact of accounting treatment is considered in developing and implementing our compensation programs generally, including the accounting treatment as it applies to amounts awarded or paid to our executives. The impact of federal tax laws on our compensation programs is also considered, including the deductibility of compensation paid to our named executive officers, as regulated by Section 162(m) of the Code.

Under Section 162(m) of the Code, we may not receive a federal income tax deduction for compensation paid to our CEO or any of the three other most highly compensated executive officers (other than the CFO) employed on the last day of the fiscal year to the extent that any of such persons receive more than \$1,000,000 in compensation in the fiscal year. However, if we pay compensation that is "performance-based" under Section 162(m), we can receive a federal income tax deduction for the compensation paid even if such compensation exceeds \$1,000,000 in a single year. Our 1999 Long Term Incentive Plan has been designed to permit awards under the plan to qualify as "performance-based" and, therefore, compensation realized in connection with options and grants of restricted stock that qualify as performance-based are fully tax deductible on our federal income tax return. To maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Compensation Committee has not adopted a policy that all compensation must be deductible on our federal income tax returns.

The foregoing policy is subject to change as the Compensation Committee deems necessary from time to time to respond to economic conditions, meet competitive standards and to serve our objectives and our stockholders. The impact of Section 409A of the Code is also taken into account. The 1999 Long Term Incentive Plan has been designed to comply with the requirements of Section 409A of the Code so as to avoid possible adverse tax consequences that may result from noncompliance.

Equity Granting Process

Grants of stock options, restricted stock, restricted stock units, LTIP Units and other equity awards to our executive officers and other employees are approved by the Compensation Committee at regularly scheduled meetings, or occasionally by unanimous written consent. If approval is made at a meeting, the grant date of the award is the date of the meeting; if approval is by unanimous written consent, the grant date of the award is the day the last Compensation Committee member signs the written consent.

We have no practice of timing grants of stock options, restricted stock, restricted stock units, LTIP Units and other equity awards to coordinate with the release of material non-public information, nor have we timed the release of material non-public information for the purpose of affecting the value of any named executive officer compensation.

Stock Ownership Guidelines

To align the interests of our executive officers with the interests of our stockholders, each of our executive officers is required to comply with our Executive Stock Ownership Guidelines. These guidelines require our executive officers to own a specified number of shares of the Company's common stock as determined by the executive officer's position within four years of the date of the executive officer's appointment. The individual guidelines are as follows:

- 10,000 shares for the CEO and President,
- 50,000 shares for any Executive Vice President (or equivalent), and
- 20,000 shares for any Senior Vice President (or equivalent).

All of our named executive officers serving as of the end of 2016 are in compliance with the Executive Stock Ownership Guideline applicable to their position. The Governance Committee may, from time to time, re-evaluate and revise these guidelines to give effect to changes in the price of our common stock or our capitalization.

Stock that counts towards satisfaction of the ownership guidelines include:

- shares owned outright by the participant or his or her immediate family members residing in the same household,
- vested restricted stock, and
- vested LTIP Units.

A copy of our Executive Stock Ownership Guidelines may be found on our corporate governance page on our website at ir.udr.com. To access the guidelines on our website, click on "Investor Relations" and then click on "Corporate Governance."

Hedging, Pledging and Short-Term Speculative Transactions

We prohibit any Company personnel, including our named executive officers, from engaging in any short-term, speculative securities transactions, engaging in short sales, buying or selling put or call options, trading in options (other than those granted by the Company) and engaging in hedging transactions. We also prohibit purchasing securities on margin or pledging securities as collateral without prior approval.

Policy on Recoupment of Performance-Based Incentives

Our Compensation Committee adopted the Policy on Recoupment of Performance-Based Incentives, which applies to our executive officers, including our named executive officers, and their performance-based incentive compensation beginning with their compensation for the 2010 fiscal year. This policy provides that if the board determines that the Company's financial statements are required to be restated as a result of fraud committed by an executive officer, the board may seek to recoup any portion of the performance-based awards that the executive officer would not have received if the Company's financial results had been reported properly. The board administers the policy and determines, in its sole discretion, the amount of the performance-based award to be recouped. To access the guidelines on our website, click on "Investor Relations" and then click on "Corporate Governance."

Consideration of Risk

The Compensation Committee is aware of the consequences to companies that have not appropriately balanced risk and reward in executive compensation. The Compensation Committee believes that the emphasis on long-term performance in the 1999 Long Term Incentive Plan results in an overall compensation program that does not reward excessive risk-taking for the Company. The Company's compensation strategy is intended to mitigate risk by emphasizing long-term compensation and financial performance measures correlated with growing stockholder value rather than rewarding shorter performance and payout periods.

Our Compensation Committee believes that our executive incentive compensation arrangements do not encourage our executives to take unnecessary or excessive risks that could threaten the value of our Company. While performance-based compensation constitutes a significant percentage of our executives' overall total compensation and thereby the Compensation Committee believes motivates our executives to help fulfill our corporate mission and vision, including specific and focused Company performance objectives, the non-performance based compensation, for most executives for most years, is also a sufficiently high percentage of overall total compensation that the Compensation Committee does not believe that unnecessary or excessive risk taking is encouraged by the performance-based compensation. In addition, a significant portion of executive's performance-based compensation is in the form of long-term equity incentives, which do not encourage unnecessary or excessive risk because they generally are performance-based and vest over a multiple-year period of time, thereby focusing the executives on our Company's long-term interests. In order to align the interests of our executive officers with the interests of our stockholders, each of our executive officers is required to comply with our Executive Stock Ownership Guidelines. Further, the Compensation Committee has adopted the Policy on Recoupment of Performance-Based Incentives as a means of discouraging unnecessary or excessive risk taking.

Compensation Committee Report

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934 that might incorporate this proxy statement or future filings with the Securities and Exchange Commission, in whole or part, the following report shall not be deemed to be incorporated by reference into any such filing.

The Compensation Committee has reviewed and discussed with our management the Compensation Discussion and Analysis beginning on page 27 of this proxy statement. 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 AND MANAGEMENT
DEVELOPMENT COMMITTEE

Jon A. Grove, Chair

Robert A. McNamara

Mark R. Patterson

Lynne B. Sagalyn

Compensation of Executive Officers

The executive officers named in the table below are referred to in this proxy statement as the “named executive officers.” The table below summarizes for each of the named executive officers the compensation amounts paid or earned for the fiscal years ended December 31, 2014, December 31, 2015 and December 31, 2016.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽¹⁾ (\$)	Option Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Change	All Other Compensation (\$)	Total Compensation (\$)
							In Pension Value and Nonqualified Deferred Compensation Earnings		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Thomas W. Toomey ⁽²⁾ Chief Executive Officer and President	2016	\$800,000	-0-	\$3,486,357	-0-	\$1,617,000	-0-	\$27,343	\$5,930,700
	2015	\$800,000	-0-	\$4,750,239	-0-	\$1,800,000	-0-	\$16,485	\$7,366,724
	2014	\$750,000	-0-	\$3,674,581	-0-	\$1,975,000	-0-	\$15,511	\$6,415,092
Warren L. Troupe ⁽³⁾ Senior Executive Vice President	2016	\$500,000	-0-	\$1,143,228	-0-	\$1,202,000	-0-	\$15,672	\$2,860,900
	2015	\$500,000	-0-	\$1,741,754	-0-	\$2,350,000	-0-	\$19,293	\$4,611,047
	2014	\$475,000	-0-	\$1,377,959	-0-	\$1,272,000	-0-	\$22,336	\$3,147,295
Jerry A. Davis ⁽⁴⁾ Senior Vice President and Chief Operating Officer	2016	\$450,000	-0-	\$1,326,121	-0-	\$1,087,000	-0-	\$18,818	\$2,881,939
	2015	\$450,000	-0-	\$1,741,754	-0-	\$2,200,000	-0-	\$22,233	\$4,413,987
	2014	\$400,000	-0-	\$1,377,959	-0-	\$1,173,000	-0-	\$21,340	\$2,972,299
Thomas M. Herzog ⁽⁵⁾ Senior Vice President and Chief Financial Officer	2016	\$219,678	-0-	\$1,326,121	-0-	\$-0-	-0-	\$35,340	\$1,581,139
	2015	\$450,000	-0-	\$1,841,759	-0-	\$2,050,000	-0-	\$19,293	\$4,361,052
	2014	\$400,000	-0-	\$1,102,377	-0-	\$1,106,000	-0-	\$20,478	\$2,628,855
Harry G. Alcock ⁽⁶⁾ Senior Vice President and Chief Investment Officer	2016	\$450,000	-0-	\$1,326,121	-0-	\$998,000	-0-	\$16,168	\$2,790,289
	2015	\$450,000	-0-	\$1,741,754	-0-	\$2,125,000	-0-	\$18,695	\$4,335,449
	2014	\$400,000	-0-	\$1,286,114	-0-	\$1,000,000	-0-	\$16,542	\$2,702,656

The dollar amounts reflected in the “Stock Awards” column represent the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, of grants of shares and units that vest over multiple years. The dollar amounts reflected in the “Option Awards” column represent the aggregate grant date fair value of the option awards, (1) computed in accordance with FASB ASC Topic 718. For information regarding the valuation assumptions used in computing grant date fair value, refer to the note entitled “Employee Benefit Plans” in the Notes to our Consolidated Financial Statements included in our Annual Reports on Form 10-K for the fiscal years ended December 31, 2016, 2015 and 2014, as applicable.

(2) “Stock Awards” for 2016 includes the aggregate grant date fair value of LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February

2016, and the amount of the award was determined in February 2016 based upon the achievement of the performance metrics. The maximum amount of the award was \$7,000,000. “All Other Compensation” includes \$6,287 for Company paid health insurance (including dental) in 2016, \$817 for Company paid life insurance, accidental death and disability insurance and disability insurance in 2016, \$5,650 for the Company funded non-discretionary 401(k) Plan matching contribution and \$14,589 for rent discount.

(3) “Stock Awards” for 2016 includes the aggregate grant date fair value of restricted shares of our common stock and LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February 2016, and the amount of the award was determined in February 2016 based upon the achievement of the performance metrics. The maximum amount of the award was \$2,200,000. “All Other Compensation” includes \$6,905 for Company paid health insurance (including dental) in 2016, \$817 for Company paid life insurance, accidental death and disability and disability insurance in 2016 and \$7,950 for the Company funded non-discretionary 401(k) Plan matching contribution.

(4) “Stock Awards” for 2016 includes the aggregate grant date fair value of restricted shares of our common stock and LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February 2016, and the amount of the award was determined in February 2016 based upon the achievement of the performance metrics. The maximum amount of the award was \$2,500,000. “All Other Compensation” includes \$10,051 for Company paid health insurance (including dental) in 2016, \$817 for Company paid life insurance, accidental death and disability and disability insurance in 2016 and \$7,950 for the Company funded non-discretionary 401(k) Plan matching contribution.

(5) Mr. Herzog was granted “Stock Awards” under the 2016 LTI Program. Mr. Herzog resigned as the Company’s Chief Financial Officer effective June 3, 2016. As a result of his resignation, Mr. Herzog forfeited his 2016 “Stock Awards” and was paid a pro rata amount of his annual \$450,000 salary. “Stock Awards” for 2016 includes the aggregate grant date fair value of restricted shares of our common stock and LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February 2016, and the amount of the award was determined in February 2016 based upon the achievement of the performance metrics. The maximum amount of the award was \$2,500,000. “All Other Compensation” includes \$6,342 for Company paid health insurance (including dental) in 2016, \$409 for Company paid life insurance, accidental death and disability and disability insurance in 2016, \$7,950 for the Company funded non-discretionary 401(k) Plan matching contribution and \$20,639 in accrued and unused vacation pay provided to Mr. Herzog upon his separation.

(6) “Stock Awards” for 2016 includes the aggregate grant date fair value of restricted shares of our common stock and LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February 2016, and the amount of the award was determined in February 2016 based upon the achievement of the performance metrics. The maximum amount of the award was \$2,500,000. “All Other Compensation” includes \$10,051 for Company paid health insurance (including dental) in 2016, \$817 for Company paid life insurance, accidental death and disability and disability insurance in 2016 and \$5,300 for the Company funded non-discretionary 401(k) Plan matching contribution.

Grants of Plan-Based Awards Table

The following table provides information concerning each grant of a plan-based award made to a named executive officer in the 2016 fiscal year.

Name (a)	Award Type (b)	Grant Date (c)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (j)	All Other Exercise Grant Date Fair Value of Stock and Option Awards (\$)(k)	
			Threshold (\$) (d)	Target (\$) (e)	Maximum (\$) (f)	Threshold (#) (g)	Target (#) (h)	Maximum (#) (i)			
Thomas W. Toomey	STI	2/5/2016	\$600,000	\$1,200,000	\$1,800,000				—	—	—
	LTI	2/5/2016				47,593	95,186	190,373	—	—	\$3,486,357
Warren L. Troupe	STI	2/5/2016	\$450,000	\$900,000	\$1,350,000				—	—	—
	LTI	2/5/2016				14,958	29,916	59,831	—	—	\$1,143,228
Jerry A. Davis	STI	2/5/2016	\$400,000	\$800,000	\$1,200,000				—	—	—
	LTI	2/5/2016				16,998	33,995	67,990	—	—	\$1,326,121
Harry G. Alcock	STI	2/5/2016	\$400,000	\$800,000	\$1,200,000				—	—	—
	LTI	2/5/2016				16,998	33,995	67,990	—	—	\$1,326,121

Narrative Disclosure to Summary Compensation

Table and Grants of Plan-Based Awards Table

Long Term Incentive Compensation

The 2016 LTI Program covers consecutive, rolling three-year tranches (each consisting of 36 months) for an indefinite period. In November of 2015, the board approved a new class of partnership interests in the Operating Partnership, called "LTIP Units," as a form of equity-based award for annual long-term incentive equity compensation. LTIP Units are designed to qualify as "profits interests" in the Operating Partnership for federal income tax purposes, meaning that initially they are not economically equivalent in value to a share of our common stock, but over time can increase in value to one-for-one parity with common stock by operation of special tax rules applicable to profits interests. LTIP Units are designed to offer executives a long-term incentive comparable to restricted stock or restricted stock units, while allowing them to enjoy a potentially more favorable income tax treatment. Each LTIP Unit awarded is deemed equivalent to an award of one share of common stock reserved under our 1999 Long Term Incentive Plan. The key difference between LTIP Units and restricted stock is that, at the time of award, LTIP Units do not have full economic parity with common units, but can achieve such parity over time upon the occurrence of specified events in accordance with partnership tax rules. Until and unless such parity is reached, the value that an executive will realize for a given number of vested LTIP Units is less than the value of an equal number of shares of our common stock. During the applicable performance period, holders of LTIP Units will receive distributions equal to one-tenth (1/10th) of the amount of regular quarterly distributions paid on a unit, but will not receive any special distributions. After the end of the performance period, holders of earned LTIP Units, both vested and unvested, will be entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on a common

unit (which equal per share dividends (both regular and special) on our common stock). LTIP Units awarded with time-based vesting conditions only, both vested and unvested, are entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on a common unit.

In February 2016, the named executive officers were permitted to elect to receive Class 2 LTIP Units in lieu of performance-based restricted stock units, and upon the elections of the named executive officers, the Compensation Committee awarded Class 2 LTIP Units to all of the named executive officers pursuant to the 2016 LTI Program. Subject to the conditions set forth in the Ninth Amendment to the Amended and Restated Agreement of Limited Partnership of the Operating Partnership and subject to the vesting conditions specified with respect to each Class 2 LTIP Unit (described below), each Class 2 LTIP Unit may be converted, at the election of the holder, into an OP Unit of the Operating Partnership provided that such Class 2 LTIP Unit has been outstanding for at least two years from the date of grant. A holder of OP Units has the right to require the Operating Partnership to redeem all or a portion of the OP Units

held by the holder in exchange for a cash payment based on the market value of our common stock at the time of redemption. However, the Operating Partnership's obligation to pay the cash amount is subject the prior right of the Company to acquire such OP Units in exchange for either the cash amount or shares of our common stock. The Class 2 LTIP Units are granted at maximum, and will vest only to the extent that pre-established performance metrics are met for the applicable performance period, subject to continuing employment. The vesting of one-third of the Class 2 LTIP Units shall be determined based on the achievement of pre-determined FFO as Adjusted goals over a one-year period, with 50% of that portion of the award vesting on the determination date and 50% on the first anniversary of the determination date, while the vesting of two-thirds of the Class 2 LTIP Units will be determined based on the Company's total shareholder return relative to the median total shareholder return of an apartment peer group over a three-year performance period, with that entire portion of the award vesting on the determination date. In this way, the vesting conditions for the Class 2 LTIP Units are comparable to the vesting conditions applicable to our performance-based restricted stock units. Consistent with the treatment of other equity awards under the 1999 Plan, upon a Class 2 LTIP Unit holder's death or disability during his or her employment, or in the event of a change of control, all restrictions on outstanding awards shall lapse; otherwise, vesting shall cease upon the date that employment is terminated for any other reason. Holders of Class 2 LTIP Units have the same voting rights as limited partners holding partnership common units in the Operating Partnership, with the LTIP Units voting together as a single class with the partnership common units and having one vote per LTIP Unit, and holders of LTIP Units shall not be entitled to approve, vote on or consent to any other matter.

The metrics utilized for the 2016 LTI Program awards are as follows:

Performance Metric	Weighting	Range	Metric	Payout	Actual Result
			Threshold	\$1.74	50%
FFO as Adjusted Growth	33.3%		Target	\$1.78	100% \$1.79
			Maximum	\$1.82	200%
3 Year Total Shareholder Return			Threshold	-250	50%
(UDR Average Annual TSR versus Peer Median in BPS)	66.7%		Target	Median	100%
			Maximum	400	200%

Because this is a 3 year metric, the result has not yet been determined

The 2016 LTI Program awards were granted to Messrs. Toomey, Troupe, Davis, and Alcock, in the following amounts:

Total 2016 LTI Program Awards

	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$1,750,000	\$3,500,000	\$7,000,000	\$1,458,333
Mr. Troupe	\$550,000	\$1,100,000	\$2,200,000	\$458,333
Mr. Davis	\$625,000	\$1,250,000	\$2,500,000	\$520,833
Mr. Alcock	\$625,000	\$1,250,000	\$2,500,000	\$520,833

1 Year FFO as Adjusted (33.3% of 2016 LTI Program Award)

	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$583,333	\$1,166,667	\$2,333,333	\$1,458,333
Mr. Troupe	\$183,333	\$366,667	\$733,333	\$458,333
Mr. Davis	\$208,333	\$416,667	\$833,333	\$520,833
Mr. Alcock	\$208,333	\$416,667	\$833,333	\$520,833

2016-2018 TSR (66.7% of 2016 LTI Program Award)

	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$1,166,667	\$2,333,333	\$4,666,667	TBD
Mr. Troupe	\$366,667	\$733,333	\$1,466,667	TBD
Mr. Davis	\$416,667	\$833,333	\$1,666,667	TBD
Mr. Alcock	\$416,667	\$833,333	\$1,666,667	TBD

Mr. Herzog was granted \$1,250,000 of awards at target under the 2016 LTI Program, of which \$416,667 were 1 year FFO as Adjusted and \$833,333 were 2016-2018 TSR. Mr. Herzog resigned as the Company's Chief Financial Officer effective June 3, 2016. As a result of his resignation, Mr. Herzog forfeited his 2016 LTI Program grant and did not receive any long-term incentive compensation for 2016.

See "Compensation Discussion and Analysis — The Compensation of Our Named Executive Officers for 2016 — LTI Compensation."

Matching 401(k) Contributions

In 2016, Messrs. Toomey, Troupe, Davis, Herzog and Alcock each received a non-discretionary 401(k) matching contribution made by us in the amount of \$5,650, \$7,950, \$7,950, \$7,950 and \$5,300, respectively. In 2015, Messrs. Toomey, Troupe, Davis, Herzog and Alcock each received a non-discretionary 401(k) matching contribution made by us in the amount of \$5,650, \$7,950, \$7,950, \$7,950 and \$4,441, respectively. In 2014, Messrs. Toomey, Troupe, Davis and Herzog each received a non-discretionary 401(k) matching contribution made by us in the amount

of \$3,238, \$9,358, \$4,760 and \$7,500, respectively.

Edgar Filing: UTSTARCOM INC - Form 8-K12B

Outstanding Equity Awards at 2016 Fiscal Year-End

The following table provides information concerning unexercised options, stock that has not vested and equity incentive plan awards for each named executive officer outstanding as of the end of the 2016 fiscal year:

Name	Option Awards				Stock Awards					
	Number of Securities Underlying Unexercised Option (#)	Number of Securities Underlying Unexercised Option (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock Have Not Vested (#)	Market Value of Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (#)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Thomas W. Toomey	187,751	--	--	\$ 24.38	2/7/18	33,181	\$ 1,210,443	--	--	
	1,680,672	--	--	10.06	2/12/19	--	--	34,012	1,240,743	
						--	--	68,020	2,481,376	
						--	--	70,074	2,556,285	(1)
Warren L. Troupe						--	--	163,394	5,960,611	(1)
	216,540	--	--	\$ 24.38	3/3/18	12,167	\$ 443,852	--	--	
	150,000	--	--	10.06	2/12/19	--	--	12,471	454,958	
						--	--	24,942	909,880	
						--	--	5,110	186,411	
						--	--	11,012	401,702	(1)
Jerry A. Davis						--	--	10,222	372,895	(1)
						--	--	25,676	936,667	(1)
						2,119	\$ 77,301	--	--	
						12,167	\$ 443,852	--	--	
						8,567	312,524	--	--	
						--	--	12,471	454,958	
						--	--	24,942	909,880	
						--	--	8,712	317,806	
Harry G. Alcock						--	--	6,257	228,240	(1)
						--	--	17,423	635,575	(1)
						--	--	14,589	532,197	(1)
						12,167	\$ 443,852	--	--	
						--	--	12,471	454,958	
						--	--	24,942	909,880	

--	--	17,423	635,575	
--	--	14,589	532,197	(1)

(1) LTIP Units granted at maximum including estimated dividend equivalent shares, subject to forfeiture based upon final performance.

The following table provides grant and vesting dates as of December 31, 2016 for each of the unvested stock awards listed in the table above:

	Grant Date	Unvested Shares	Vesting Date
Thomas W. Toomey	1/2/2015	33,181	vests on 2/2017
	1/2/2015	34,012	vests on 2/2017
	1/2/2015	68,020	vests on 2/2018
	2/5/2016	70,074	1/2 vests on 2/2017 and 2/2018
	2/5/2016	163,394	vests on 2/2019
Warren L. Troupe	1/2/2015	12,167	vests on 2/2017
	1/2/2015	12,471	vests on 2/2017
	1/2/2015	24,942	vests on 2/2018
	2/5/2016	16,122	1/2 vests on 2/2017 and 2/2018
	2/5/2016	35,898	vests on 2/2019
Jerry A. Davis	2/8/2013	2,119	vests on 2/2017
	1/2/2015	12,167	vests on 2/2017
	1/2/2015	12,471	vests on 2/2017
	1/2/2015	24,942	vests on 2/2018
	2/5/2016	8,567	1/4 vests on 2/2017, 2/2018, 2/2019 and 2/2020
	2/5/2016	14,968	1/2 vests on 2/2017 and 2/2018
Harry G. Alcock	2/5/2016	32,011	vests on 2/2019
	1/2/2015	12,167	vests on 2/2017
	1/2/2015	12,471	vests on 2/2017
	1/2/2015	24,942	vests on 2/2018
	2/5/2016	14,968	1/2 vests on 2/2017 and 2/2018
	2/5/2016	32,011	vests on 2/2019

Option Exercises and Stock Vested

The following table provides information concerning exercise of stock options and vesting of stock during the 2016 fiscal year for each of the named executive officers:

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) (e)
Thomas W. Toomey	--	--	120,643	\$4,227,191
Warren L. Troupe	--	--	44,691	\$1,566,565
Jerry A. Davis	--	--	46,810	\$1,638,399
Thomas M. Herzog	--	--	55,685	\$1,902,729
Harry G. Alcock	--	--	51,810	\$1,804,400

Pension Benefits Table

We do not have any pension plans for our associates. We do have a 401(k) plan and our matching contributions are included in the Summary Compensation Table under the heading "All Other Compensation."

Nonqualified Deferred Compensation Table

We do not have any nonqualified deferred compensation plans for our associates.

Employment and Other Agreements

We do not have employment agreements or arrangements with any of our other named executive officers other than the agreements and compensation programs described elsewhere in this proxy statement.

In November 2016, we entered into an aircraft time-share agreement with each of Messrs. Toomey and Troupe, which replaced prior agreements entered into in December 2011. Under each aircraft time-share agreement, we have agreed to lease an aircraft, including crew and flight services, to Messrs. Toomey and Troupe for personal flights from time to time upon their request. Messrs. Toomey and Troupe will pay us a lease fee as may be set by the board from time to time for the flight expenses that may be charged under applicable regulations. We will invoice Mr. Toomey and Mr. Troupe on the last day of the month in which any respective flight occurs. Each aircraft time-share agreement will remain in effect until terminated by either party upon ten days' prior written notice. Each agreement automatically terminates upon the date either Mr. Toomey or Mr. Troupe, respectively, are no longer employed by us.

In 2016, Mr. Toomey paid us \$125,264, Mr. Troupe paid us \$6,000, and Mr. Alcock paid us \$4,000 for aircraft lease payments as contemplated by these agreements. (Mr. Alcock leased the aircraft under the same terms as are contained in the aircraft time-share agreements with Messrs. Toomey and Troupe.)

Post-Employment Compensation — Severance, Change of Control and Other Arrangements

Change of Control. Under the provisions of our 1999 Long-Term Incentive Plan, all outstanding options, stock appreciation rights and other awards that may be exercised generally become fully exercisable and all restrictions on outstanding awards will lapse upon the occurrence of a change of control unless otherwise provided in the award agreement. "Change of control" is defined in the Plan as (1) a merger or consolidation in which we are not the surviving entity, except for a transaction the principal purpose of which is to change the state in which we are incorporated; (2) the transfer or sale of all or substantially all of our assets other than to an affiliate or subsidiary of ours; (3) the liquidation of our Company; (4) the acquisition by any person, or by a group of persons acting in concert, of more than 50% of our outstanding voting securities, which results in the resignation or addition of 50% or more independent members of our board; (5) certain reverse mergers in which the Company is the surviving entity or (6) a change in the composition of the board over a period of 12 months or less such that a majority of the board ceases, by reason of one or more contested elections, to be comprised of individuals who are "continuing

directors” (as defined in the Plan). The Plan also provides an exception to the rule that the Compensation Committee may provide that unexercised awards will expire in the event of a change in control if the change in control results from a change in the composition of the board, including a change in the composition of the board resulting from the acquisition of more than 50% of the Company’s outstanding voting securities.

If a change in control occurred effective as of December 31, 2016, the value of the cash payments and the benefits provided (based on the exercise of options and the release of restrictions on previously granted stock awards) to each of the named executive officers would have been as follows:

Name	Cash Payments	Value of Outstanding Options	Value of Outstanding Restricted Stock Awards	Value of Unused Vacation	Total
Thomas W. Toomey	--	\$46,675,141	\$13,449,457	\$92,308	\$60,216,906
Warren L. Troupe	--	\$6,583,134	\$3,706,366	\$57,692	\$10,347,192
Jerry A. Davis	--	--	\$3,912,334	\$51,923	\$3,964,257
Harry G. Alcock	--	--	\$3,522,508	\$51,923	\$3,574,431

Death, Disability or Retirement. Our 1999 Long-Term Incentive Plan provides that, unless otherwise provided in the award agreement, upon a participant’s death, disability or retirement, all outstanding options, stock appreciation rights and other awards that may be exercised shall become fully exercisable, and all restrictions on outstanding stock awards shall lapse. If the death, disability or retirement of each of our named executive officers occurred as of December 31, 2016, the benefits provided (based upon the exercise of options and the release of restrictions on previously granted stock awards) would have been as follows:

Name	Value of Outstanding Options	Value of Outstanding Restricted Stock Awards	Total
Thomas W. Toomey	\$46,675,141	\$13,449,457	\$60,124,598
Warren L. Troupe	\$6,583,134	\$3,706,366	\$10,289,500
Jerry A. Davis	--	\$3,912,334	\$3,912,334
Harry G. Alcock	--	\$3,522,508	\$3,522,508

Severance Benefits. We believe that, in order to attract and retain the best management talent, companies should provide reasonable severance benefits to employees. We believe these severance benefits should reflect the fact that it may be difficult for employees to find comparable employment within a short period of time. They also should disentangle the Company from the former employee as soon as practicable. With respect to our senior management, severance benefits are individually negotiated.

We currently do not have any contractual severance arrangements with our named executive officers.

Compensation Risks

We have reviewed our overall compensation programs and practices for our employees, and we believe that any risks arising from those compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. In reaching this conclusion, we reviewed the incentives created by our compensation policies and practices, how those incentives may create risks, and the mitigating factors or controls that addressed the potential adverse effect of any such risks. As with the compensation programs and practices in place for our executive officers, we do not believe that any of our incentive compensation arrangements for employees encourage them to take unnecessary or excessive risks that could threaten the value of our Company.

Transactions with Related Persons

Our board has adopted a policy relating to the review, approval and ratification of transactions with related persons. The Company recognizes that there are situations where related person transactions may be in, or not inconsistent with, the best interest of the Company and therefore the board adopted a written policy to provide a procedure for the review, approval or ratification of related person transactions. The policy applies to any transaction, the amount of which exceeds \$120,000, between the Company and any person who is a director, executive officer or the beneficial owner of more than 5% of any class of the Company's voting securities, and in which such related person had, has or will have a direct or indirect interest. Any related person transaction is subject to approval by the board or the executive committee of the board. To access the guidelines on our website, click on "Investor Relations" and then click on "Corporate Governance."

Equity Compensation Plan Information

The following table provides information about shares of our common stock that we may issue upon the exercise of options, warrants and rights under our existing equity compensation plans. All information is provided as of December 31, 2016. Our 1999 Long-Term Incentive Plan is our only stockholder approved equity compensation plan.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by the security holders	2,234,963	\$ 12.65	9,192,402
Equity compensation plans not approved by the security holders	—	—	—
Total	2,234,963	\$ 12.65	9,192,402

The weighted average remaining term of the outstanding options is 1.9 years and we have no unvested full value awards outstanding as of December 31, 2016.

AUDIT
COMMITTEE
REPORT

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934 that might incorporate this proxy statement or future filings with the Securities and Exchange Commission, in whole or part, the following report shall not be deemed to be incorporated by reference into any such filing.

The Audit Committee has reviewed and discussed our unaudited financial statements for the quarters ended March 31, June 30 and September 30, 2016 and our December 31, 2016 audited financial statements with management and with Ernst & Young LLP, our independent accountants. Each member of the Audit Committee is “independent” in accordance with the applicable corporate governance listing standards of the NYSE.

The Audit Committee has also discussed with Ernst & Young LLP the matters required to be discussed by Auditing Standard No. 1301, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board.

In addition, the Audit Committee has received from Ernst & Young LLP the written disclosures required by Rule 3526 of the Public Company Accounting Oversight Board, Communication with Audit Committees Concerning Independence, regarding their independence, and has discussed with Ernst & Young LLP their independence relative to us, including whether the provision of their services is compatible with maintaining Ernst & Young LLP’s independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the board that the December 31, 2016 audited financial statements be included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission.

AUDIT COMMITTEE
Robert P. Freeman, Chair
Katherine A. Cattanach
Mary Ann King
Clint D. McDonnough
Mark R. Patterson

AUDIT
MATTERS

Audit Fees

In connection with the audit of the 2016 financial statements, we entered into an engagement agreement with Ernst & Young LLP which set forth the terms by which Ernst & Young LLP will perform audit services for us. That agreement is subject to alternative dispute resolution procedures.

The following table sets forth the aggregate fees billed or to be billed by Ernst & Young LLP for the following services during fiscal 2016 and fiscal 2015:

Description of 2016 Services	2015
Audit Fees ⁽¹⁾	\$1,439,755 \$1,511,450
Audit-Related Fees ⁽²⁾	120,000 158,200
Tax Fees ⁽³⁾	233,850 280,308
All Other Fees	—
Total	\$1,793,605 \$1,949,958

Audit fees consist of fees for the audit and review of the Company's consolidated financial statements, acquisition audits, statutory audits, (1) comfort letters, consents, debt covenant letters and assistance with and review of documents filed with the SEC.

(2) Audit-related fees consist of fees for audit-related services for partnership and benefit plan audits, review of proxy materials, accounting advice in connection with specific transactions, internal control reviews and various attestation engagements.

(3) Tax fees consist of fees for tax compliance, tax advisory services (1031 and state planning) and tax planning.

Pre-Approval Policies and Procedures

The charter of the Audit Committee provides that the Audit Committee is responsible for the pre-approval of all audit and permitted non-audit services to be performed for the Company by the independent auditors. All of the fees paid to the independent auditors that are shown in the chart above for 2016 were approved by the Audit Committee in accordance with the procedures described below.

The Audit Committee reviews at its meetings audit and non-audit services proposed to be provided by the independent registered public accounting firm. The Committee has delegated to the Chair, or an alternate member of the Audit Committee, the authority to grant pre-approvals if either deems it necessary or appropriate to consider a pre-approval request without a meeting of the full Audit Committee. Pre-approvals by the Chair or alternate member are reviewed with the Audit Committee at its next regularly scheduled meeting.

In considering the pre-approval of proposed audit or non-audit services by the independent auditors, management reviews with the Audit Committee or its delegate, a description of and the budget for the proposed service and the reasons that the independent auditors are being requested to provide the services, including any possible impact on the independence of the independent auditors. Additional Audit Committee approval is required if the pre-approved services exceed the pre-approved budgeted amount for the services.

PROPOSAL NO. 2
RATIFICATION
OF
APPOINTMENTS
OF
INDEPENDENT
AUDITORS

Ernst & Young LLP, independent registered public accounting firm, served as our auditors for fiscal 2016. Our Audit Committee has selected Ernst & Young LLP to audit our financial statements for fiscal 2017. We expect that a representative of Ernst & Young LLP will be present at the meeting, will have the opportunity to make a statement if he or she desires to do so and will be available to answer any appropriate questions from stockholders.

Vote Required and Board of Directors' Recommendation

Although it is not required to do so, the board is submitting the Audit Committee's selection of our independent registered public accounting firm for ratification by the stockholders at the meeting in order to ascertain the view of our stockholders regarding such selection. The affirmative vote of a majority of the votes cast at the meeting will be required to approve this proposal. In the event the stockholders do not ratify this appointment, the Audit Committee will reconsider its selection, but still may determine that the appointment of our independent registered public accounting firm is in the best interests of the Company and its stockholders. Even if the appointment is ratified by the stockholders, the Audit Committee, in its discretion, may appoint a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its stockholders.

ü Our board recommends that the stockholders vote "FOR" the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2017.

PROPOSAL NO. 3
ADVISORY VOTE
ON EXECUTIVE
COMPENSATION

Section 14A of the Exchange Act enables our stockholders to vote to approve, on an advisory basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the SEC's rules.

As described in detail under the heading "Executive Compensation — Compensation Discussion and Analysis," our executive compensation programs are designed to attract and retain executive talent and to align the interests of our named executive officers with the interests of the Company and our stockholders by providing market competitive compensation that is closely tied to short-term and long-term performance goals set by our Compensation Committee. The compensation of our named executive officers is comprised of a mix of base salary, short-term incentive compensation and long-term incentive compensation. Please read the "Executive Compensation" section beginning on page 27, which includes the Compensation Discussion and Analysis, the tabular disclosure regarding the compensation of our named executive officers and the accompanying narrative disclosure set forth in this proxy statement for additional details about our executive compensation programs, including information about the fiscal year 2016 compensation of our named executive officers.

We are asking our stockholders to indicate their support for our named executive officer compensation as described in this proxy statement. Accordingly, our board is asking our stockholders to cast a non-binding advisory vote "FOR" the following resolution at the annual meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2017 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure."

Vote Required and Board of Directors' Recommendation

The vote on the compensation of our named executive officers as disclosed in this proxy statement is advisory, and therefore not binding on the Company, the Compensation Committee or our board. Our board and our Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns. We have determined that our stockholders should cast an advisory vote on the compensation of our named executive officers on an annual basis. Unless this policy changes, the next advisory vote on the compensation of our named executive officers will be at the 2018 annual meeting of stockholders. The affirmative vote of a majority of votes cast is required to approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure.

ü Our board
recommends
that the
stockholders
vote "FOR" the
approval of
the
compensation
of our

named
executive
officers, as
disclosed in
this proxy
statement
pursuant to
the
compensation
disclosure
rules of the
Securities and
Exchange
Commission.

PROPOSAL NO. 4
ADVISORY VOTE
ON THE
FREQUENCY OF
AN
ADVISORY VOTE
ON EXECUTIVE
COMPENSATION

Section 14A of the Exchange Act requires that we must provide our stockholders with an opportunity to indicate how frequently we should seek an advisory vote on the compensation of our named executive officers, as disclosed pursuant to the SEC's compensation disclosure rules. In this Proposal No. 4, our board is asking stockholders to cast a non-binding, advisory vote indicating whether they would prefer an advisory vote on executive compensation, such as that set forth in Proposal No. 3, once every one, two, or three years. We last conducted a non-binding advisory vote on the frequency of an advisory vote on executive compensation at the 2011 Annual Meeting of Stockholders, and since that time we have conducted an annual advisory vote on named executive officer compensation.

Vote Required and Board of Directors' Recommendation

Our board has determined that an advisory vote on executive compensation that occurs every year is the most appropriate alternative for the Company, and therefore our board recommends that you vote for a one-year interval for the advisory vote on executive compensation. As in the past six years, the board believes that an annual advisory vote on executive compensation facilitates input from our stockholders on our compensation philosophy, policies and practices that are disclosed in the proxy statement. We recognize that our stockholders may have differing views on the appropriate frequency for an advisory vote on executive compensation.

The proxy card provides stockholders with the opportunity to choose among four options (holding the advisory vote on executive compensation every one, two or three years, or abstain from voting) and, therefore, stockholders will not be voting to approve or disapprove the recommendation of the board.

The option of one year, two years, or three years that receives the highest number of votes cast by stockholders will be considered the frequency for the advisory vote on executive compensation that is preferred by our stockholders. However, because this vote is advisory and not binding on the board or the Company in any way, the board may decide that it is in the best interests of our stockholders and the company to hold an advisory vote on executive compensation more or less frequently than the option preferred by our stockholders.

ü Our board
recommends
that the
stockholders
vote for the
option of
once every
year as the
preferred
frequency
with which
stockholders
are provided
an advisory
vote on
executive
compensation

FREQUENTLY
ASKED
QUESTIONS
ABOUT THE
ANNUAL
MEETING

Why did
you
provide
this proxy
statement
to me?

We are providing this proxy statement and proxy card to you on the Internet or, upon your request, we are sending printed versions of this proxy statement and proxy card to you by mail, because you owned shares of our common stock and/or our Series E preferred stock or our Series F preferred stock at the close of business on March 20, 2017, which is the record date for the meeting. This proxy statement describes matters on which we would like you, as a stockholder, to vote. It also gives you information on these matters so that you can make an informed decision.

The holders of shares of our common stock and our Series E and Series F preferred stock outstanding at the close of business on the record date are entitled to receive notice of the meeting and are entitled to one vote for each share held on each proposal presented at the meeting. Cumulative voting is not permitted. At the record date of March 20, 2017, we had 267,396,821 shares of common stock, 2,796,903 shares of our Series E preferred stock and 16,157,807 shares of Series F preferred stock issued and outstanding.

When you vote, you appoint James D. Klingbeil and Thomas W. Toomey, or either of them, as your representatives at the meeting. Messrs. Klingbeil and Toomey will vote your shares at the meeting as you instructed them when you voted. This way, your shares will be voted whether or not you attend the meeting. Even if you plan to attend the meeting, you should vote by telephone, through the Internet or, if you have requested and received a paper copy of the proxy statement, by completing, signing and returning the paper proxy card enclosed with this proxy statement in advance of the meeting, in case your plans change.

Why did I
receive a
one-page
notice in
the mail
regarding
the Internet
availability
of proxy
materials
instead of a
full set of
proxy
materials?

In accordance with rules and regulations adopted by the SEC, instead of mailing a printed copy of our proxy materials to each stockholder of record, we may furnish proxy materials, including this proxy statement and our 2016 Annual Report, by providing access to such documents on the Internet. Most stockholders will not receive printed copies of the proxy materials unless they request them, in which case printed copies of the proxy materials will be provided at no charge.

Instead of mailing a printed copy of our proxy materials to each stockholder of record, a Notice of Internet Availability of Proxy Materials (the “Notice of Internet Availability”) was mailed to such stockholders on or about March 28, 2017 that instructs you as to how you may access and review all of the proxy materials on the Internet. The Notice of Internet Availability also instructs you as to how you may submit your proxy on the Internet or by telephone.

Any stockholder may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis by following the instructions set forth in the Notice of Internet Availability. Choosing to receive future proxy materials by e-mail will save us the cost of printing and delivering documents to stockholders and will reduce the environmental impact of our annual meetings. A stockholder’s election to receive proxy materials by e-mail will remain in effect until the stockholder terminates the election.

What
constitutes
a quorum
in order to
hold and
transact
business at
the
meeting?

The presence, in person or by proxy, of holders of at least a majority of the total number of shares of our outstanding common stock, Series E preferred stock and Series F preferred stock, taken together, as of the record date, constitutes a quorum that is required to hold the meeting and to conduct business. If a quorum is not present at the meeting, the meeting may be adjourned from time to time until a quorum is obtained. Your shares will be counted as being present at the meeting if you vote your shares in person at the meeting, if you vote your shares by telephone or through the Internet, or if you submit a properly

executed proxy card. Votes against a particular proposal will be counted to determine the presence of a quorum. Abstentions, broker non-votes, which are explained below, and shares as to which authority to vote on any proposal is withheld, are each included in the determination of the number of shares present at the meeting for purposes of obtaining a quorum. Each will be tabulated separately.

How
do I
vote?

For
Shares Directly
Registered in
Your Name:

If you hold your shares in your own name as holder of record with Wells Fargo Shareowner Services, there are four different ways to vote:

- Internet: You can go to www.proxyvote.com and vote through the Internet.
- Telephone: You can submit your vote by proxy over the telephone by following the instructions provided on the separate proxy card if you received a printed set of the proxy materials.
- Mail: If you have requested and received a paper copy of the proxy statement, you can mark, sign, date and return the paper proxy card enclosed with the proxy statement in the postage-paid envelope that we have provided to you. Please note that if you vote through the Internet or by telephone, you do not need to return your proxy card.
- In person: If you are a stockholder as of the record date, you may vote in person at the meeting. Submitting a proxy prior to the meeting will not prevent a stockholder from attending the meeting and voting in person.

All valid proxies received and not revoked prior to the meeting will be voted in accordance with each stockholder's instructions.

For Shares Held
in
"Street Name:"

If your shares are held by a brokerage firm, bank or other nominee (i.e., in "street name"), you will receive instructions from your nominee that you must follow in order to have your shares voted. "Street name" stockholders who wish to vote in person at the meeting will need to obtain a proxy form from the brokerage firm, bank or other nominee that holds their shares of record.

In addition, a number of brokers and banks are participating in a program provided through Broadridge Financial Solutions, Inc. ("Broadridge") that offers telephone and Internet voting options. This program is different from the program provided by Wells Fargo Shareowner Services for shares registered directly in the name of the stockholder. If your shares are held in an account with a broker or a bank participating in the Broadridge program, you may vote those shares telephonically by calling the telephone number shown on the voting form received from your broker or bank, or via the Internet at the Broadridge voting website (www.proxyvote.com).

How
will
my
proxy
be
voted?

All shares represented by properly executed proxies received in time for the meeting will be voted at the meeting in accordance with the instructions marked thereon or otherwise as provided therein, unless such proxies have previously

been revoked. Unless instructions to the contrary are marked, or if no instructions are specified, shares represented by proxies will be voted:

FOR the election of all nominees for director.

FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2017.

FOR the approval, on an advisory basis, of the compensation of our named executive officers disclosed in this proxy statement.

FOR the selection, on an advisory basis, of an annual advisory vote on executive compensation.

Will other matters be voted on at the annual meeting?

We have not received notice of any other matters that may properly be presented at the meeting. However, if a matter comes up for vote at the meeting that is not described in this proxy statement or listed on the proxy card, Messrs. Klingbeil and Toomey will vote your shares, under your proxy, in their discretion. It is the intention of Messrs. Klingbeil and Toomey to vote the shares they represent as directed by the board.

Can I revoke my proxy and change my vote?

Yes. If you are a record holder of your shares, you may revoke your proxy at any time prior to the date of the meeting by:

submitting a later-dated vote in person at the meeting, through the Internet, by telephone or, if you originally voted by returning a paper proxy card to us, by mail; or

delivering instructions to the attention of the Corporate Secretary at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540. Any notice of revocation sent to us must include the stockholder's name and must be received prior to the date of the meeting to be effective.

If you hold your shares in "street name," you should follow the directions provided by your broker or other nominee regarding how to revoke your proxy.

What vote is required for the proposals if a quorum is present?

The affirmative vote of a majority of the votes cast is required for the election of a director in Proposal 1.

The affirmative vote of a majority of the votes cast is required to approve Proposal No. 2, the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2017.

The affirmative vote of a majority of the votes cast is required to approve, on an advisory basis, the compensation of our named executive officers disclosed in this proxy statement, as specified in Proposal No. 3.

A plurality of the votes cast is required for our stockholders to recommend, on an advisory basis, a preferred frequency of an advisory vote on executive compensation, as specified in Proposal No. 4.

What is an abstention, and how will it affect the vote on a proposal?

An “abstention” occurs when the beneficial owner of shares is present, in person or by proxy, and entitled to vote at the meeting (or when a nominee holding shares for a beneficial owner is present and entitled to vote at the meeting), but such person does not vote on the particular proposal. For purposes of Proposal Nos. 1, 2, 3 and 4, abstentions will not be counted as votes cast and will have no effect on the results of the vote with respect to such proposals. Abstentions will be considered present for the purpose of determining the presence of a quorum.

What are broker non-votes, and how will they affect the vote on a proposal?

A “broker non-vote” occurs when a broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have the discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner. Under applicable rules, brokers or other nominees have discretionary voting power with respect to matters that are considered routine, but not with respect to non-routine matters. A broker or other nominee cannot vote without instructions on non-routine matters, therefore there may be broker non-votes on any such proposals. Broker non-votes will have no effect on the voting results for the Proposals, although they will be considered present for the purpose of determining the presence of a quorum.

The effect of broker non-votes is summarized in the table below:

	Proposal No. 1: Election of Directors	Proposal No. 2: Ratification of Independent Registered Public Accounting Firm	Proposal No. 3: Advisory Vote on Executive Compensation	Proposal No. 4: Advisory Vote on Frequency of Advisory Vote on Executive Compensation Non-Routine
Status of the matter	Non-routine	Routine	Non-Routine	Non-Routine
Possibility of broker non-votes on the Proposal	Yes	No	Yes	Yes
Status of broker non-votes for purposes of determining whether stockholder approval has been obtained for the Proposal	Broker non-votes are not deemed to be votes cast	N/A	Broker non-votes are not deemed to be votes cast	Broker non-votes are not deemed to be votes cast
Status of broker non-votes for quorum purposes	Considered present	N/A	Considered present	Considered present

Who
will
tabulate
the
votes?

Broadridge will tabulate votes cast by proxy by an automated system. Votes cast by proxy or in person at the meeting will be counted by the persons appointed by us to act as election inspectors for the meeting.

Who is
soliciting the
proxy, and
who will pay
for the proxy
solicitation?

This solicitation is being made on behalf of our board, but may also be made without additional remuneration by our officers or employees by telephone, telegraph, facsimile transmission, e-mail or personal interview. We will bear the expense of the preparation, printing and delivery of the enclosed form of proxy, notice of annual meeting of stockholders and this proxy statement and any additional materials relating to the meeting that may be furnished to our stockholders by our board subsequent to the furnishing of this proxy statement. We will reimburse banks and brokers who hold shares in their name or custody, or in the name of nominees for others, for their out-of-pocket expenses incurred in forwarding copies of the proxy materials to those persons for whom they hold such shares. To obtain the necessary representation of stockholders at the meeting, supplementary solicitations may be made by mail, telephone or interview by our officers or employees, without additional compensation.

Where do
I find the
voting
results of
the
meeting?

We will announce the preliminary voting results at the meeting and publish the final results in a Current Report on Form 8-K filed with the SEC within four business days following the meeting.

OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file reports of ownership on Form 3 and changes in ownership on Form 4 or 5 with the SEC. Such executive officers, directors and 10% stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) reports they file.

To our knowledge, based solely on our review of the copies of such forms received by us or written representations from certain reporting persons that no other reports were required for such persons, we believe that, during fiscal 2016, our executive officers, directors and 10% stockholders complied with all applicable Section 16(a) filing requirements.

Delivery of Voting Materials

To reduce the expenses of delivering duplicate materials to our stockholders, we are delivering one copy of the Notice of Internet Availability to stockholders who share the same address unless otherwise requested. The Notice of Internet Availability will instruct you as to how you may access and review all of the proxy materials on the Internet. The Notice of Internet Availability also instructs you as to how you may submit your proxy through the Internet. If you would like to receive a paper or e-mail copy of the proxy materials, you should follow the instructions for requesting such materials in the Notice of Internet Availability.

If you share an address with another stockholder and have received only one copy of the Notice of Internet Availability, and would like to request a separate copy of the Notice of Internet Availability, you may write or call us to request a separate copy of the Notice of Internet Availability at no cost to you. For future annual meetings, you may request a separate copy of the Notice of Internet Availability or request that we only send one copy of the Notice of Internet Availability to you if you are receiving multiple copies by calling us at (720) 283-6120 or by writing to us to the attention of Investor Relations, 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540.

Annual Report

We will, upon written request and without charge, provide to any person solicited hereunder, a copy of our Annual Report on Form 10-K for the year ended December 31, 2016, including financial statements and financial statement schedules, as filed with the SEC. Requests should be addressed to the attention of Investor Relations, 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540.

Stockholder Proposals for the 2018 Annual Meeting of Stockholders

The submission deadline for stockholder proposals to be included in our proxy materials for the 2018 annual meeting of stockholders pursuant to Rule 14a-8 under the Exchange Act is November 28, 2017, except as may otherwise be provided in Rule 14a-8. All such proposals must be in writing and should be sent to our Corporate Secretary at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540.

Advance Notice Procedures for the 2018 Annual Meeting of Stockholders

In accordance with our Amended and Restated Bylaws, any stockholder who intends to submit a proposal at our 2018 annual meeting of stockholders, or bring a director nominee before the meeting, must, in addition to complying with applicable laws and regulations and the requirements of our Amended and Restated Bylaws, provide written notice to us for consideration no sooner than October 29, 2017 and no later than November 28, 2017. Such notice should be sent to our Corporate Secretary at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540. Please refer to the full text of our advance notice Bylaw provisions for additional information and requirements. A copy of our Amended and

Restated Bylaws may be obtained by writing to our Corporate Secretary at the address listed above or by visiting the Investor Relations page of our website at ir.udr.com and then clicking on “Corporate Governance.”

Proxy Access Procedures for the 2018 Annual Meeting of Stockholders

In order to be eligible to require that the Company include an eligible stockholder nominee in the proxy materials for the 2018 annual meeting of stockholders pursuant to Section 2.15 of the Company’s Amended and Restated Bylaws, an eligible stockholder must provide to the Company, in proper form and within the times specified, (i) a written notice expressly electing to have such stockholder nominee included in the Company’s proxy materials pursuant to Section 2.15 (a “Notice of Proxy Access Nomination”) and (ii) any updates or supplements to such Notice of Proxy Access Nomination. To be timely, the Notice of Proxy Access Nomination must be so delivered or mailed to and received at the principal executive offices of the corporation not less than one hundred twenty (120) days (November 28, 2017) nor more than one hundred fifty (150) days (October 29, 2017) prior to the one-year anniversary of the date on which the Company first mailed its proxy materials for the 2017 annual meeting of stockholders. Such notice should be sent to our Corporate Secretary at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540. Please refer to the full text of our advance notice Bylaw provisions for additional information and requirements. A copy of our Amended and Restated Bylaws may be obtained by writing to our Corporate Secretary at the address listed above or by visiting the Investor Relations page of our website at ir.udr.com and then clicking on “Corporate Governance.”

It is important that proxies be returned promptly. We depend upon all stockholders promptly signing and returning the enclosed proxy to avoid costly solicitation. You can save us considerable expense by signing and returning your proxy at once. You may also vote electronically through the Internet or by telephone as shown on the enclosed proxy card and as

discussed
above.

Dated: March 28, 2017 For the Board of Directors
UDR, INC.

WARREN L. TROUPE
Senior Executive Vice President
and Corporate Secretary

Definitions

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

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

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

Management considers fixed charge coverage a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation of the components that comprise fixed charge coverage is provided on Attachment 4(C) of the Company's quarterly supplemental disclosure.

A reconciliation between net income and EBITDA and a reconciliation of the components that comprise fixed charge coverage is provided below (dollars in thousands):

	Quarter Ended December 31, 2016
Net income/(loss) attributable to UDR, Inc.	\$ 237,617
Adjustments:	
Interest expense	29,295
Real estate depreciation and amortization	102,537
Real estate depreciation and amortization on unconsolidated joint ventures	13,055
Other depreciation and amortization	1,458
Noncontrolling interests	22,129
Income tax provision/(benefit)	(3,063)
EBITDA	\$ 403,028
Net gain on the sale of depreciable real estate owned	(200,466)
Net gain on the sale of unconsolidated depreciable property	(36,385)
Long-term incentive plan transition costs	274
Acquisition-related costs/(fees)	152
Severance costs and other restructuring expense	871
Casualty-related (recoveries)/charges, net	(1,102)
Casualty-related (recoveries)/charges on unconsolidated joint ventures, net	(251)
EBITDA - adjusted for non-recurring items	\$ 166,121
Annualized EBITDA - adjusted for non-recurring items	\$ 664,484
Interest expense	\$ 29,295
Capitalized interest expense	4,361
Total interest	\$ 33,656
Preferred dividends	\$ 930
Total debt	\$ 3,401,478
Cash	2,112
Net debt	\$ 3,399,366

Edgar Filing: UTSTARCOM INC - Form 8-K12B

Fixed Charge Coverage Ratio - adjusted for non-recurring items	4.8x
Net Debt-to-EBITDA - adjusted for non-recurring items	5.1x

UDR, INC.
1745 SHEA
CENTER DRIVE
SUITE 200
HIGHLANDS
RANCH, CO
80129

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS

If you would like to reduce the costs incurred by UDR, Inc. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access Stockholder Communications electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to UDR, Inc. c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E21868-P89258 KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

The Board of Directors recommends that you vote "FOR" each of the nominees listed in Item 1:

1. ELECTION OF DIRECTORS

Nominees:	For	Against	Abstain	The Board of Directors	For	Against	Abstain
				recommends that you vote "FOR" Items 2 and 3:			
1a. Katherine A. Cattanach	2. To ratify the	..	..	..
1b. Robert P. Freeman	appointment of Ernst & Young LLP to serve as independent registered public accounting firm for the year ending December 31,			

2017.

				Advisory vote to approve named			
1c.	Jon A. Grove	..	..	..	3. executive officer compensation.	..	..
				The Board of Directors recommends that you			
1d.	Mary Ann King	..	..	..	vote 1 Year 2 Years 3 Years Abstain for a "1 YEAR" frequency in Item 4:		
				Advisory vote on the frequency of ..			
1e.	James D. Klingbeil	..	..	..	4. holding an advisory vote on executive compensation.	..	..
1f.	Clint D. McDonnough	..	..	..	5. To transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.		
1g.	Robert A. McNamara	..	..	..
1h.	Mark R. Patterson	..	..	..	NOTE: The		
1i.	Lynne B. Sagalyn	..	..	..	shares		
1j.	Thomas W. Toomey	..	..	..	represented by		

this proxy when properly executed will be voted in the manner directed herein by the undersigned Stockholder(s). If no direction is made, this proxy will be voted FOR each of the nominees listed in Item 1, FOR Items 2 and 3, and for a 1 YEAR frequency in Item 4. If any other matters properly come before the meeting or any adjournment of the meeting, the person(s) named in this proxy will vote in their discretion.

Yes No

For address changes, please check this box and write them on the back where indicated.

Please indicate if you plan to attend this meeting.

.. ..

Please sign exactly as your name(s) appear(s) hereon. All holders must sign. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. If a corporation, please sign in full corporate name by authorized officer. If a partnership, please sign in partnership name by authorized person.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Date Owners)

UDR, INC.
ANNUAL MEETING OF STOCKHOLDERS
May 11, 2017
10:00 a.m., Local Time
Hotel Teatro
1100 14th Street
Denver, Colorado 80202

This proxy is solicited on behalf of the Board of Directors of UDR, Inc. for use at the Annual Meeting on May 11, 2017.

The shares of stock held in your account or in a dividend reinvestment account will be voted as you specify on the reverse side.

If no choice is specified, the proxy will be voted "FOR" each of the nominees listed in Item 1, "FOR" Items 2 and 3, and for a "1 YEAR" frequency in Item 4.

By signing the proxy, you (i) acknowledge receipt of the notice of annual meeting of stockholders and proxy statement, each dated March 28, 2017, (ii) revoke all prior proxies, and (iii) appoint James D. Klingbeil and Thomas W. Toomey, or either of them, as proxies and attorneys-in-fact, each with the power to appoint his substitute and hereby authorize(s) them to represent and to vote the shares which you would be entitled to vote if then and there personally present on the matters shown on the reverse side and any other matters which may come before the Annual Meeting and any adjournment thereof.

See reverse for voting instructions

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

UDR, Inc.'s Notice of Annual Meeting and Proxy Statement, Form 10-K for the year ended December 31, 2016 and Shareholder Letter are available on the Internet at www.proxyvote.com.

E21869-P89258

UDR, INC.

THIS PROXY IS
SOLICITED ON
BEHALF OF THE
BOARD OF
DIRECTORS

ANNUAL MEETING
OF STOCKHOLDERS
MAY 11, 2017

The stockholder(s)
hereby appoint(s)
James D. Klingbeil and
Thomas W. Toomey, or
either of them, as
proxies and
attorneys-in-fact, each
with the power to
appoint his substitute
and hereby authorize(s)
them to represent and
to vote, as designated
on the reverse side of
this proxy card, all of
the shares of common
stock and/or Series E
preferred stock or
Series F preferred stock
of UDR, Inc. that the
stockholder(s) is/are
entitled to vote at the
Annual Meeting of
Stockholders to be held
at 10:00 a.m., Local
Time on May 11, 2017,
at the Hotel Teatro,
1100 14th Street,
Denver, Colorado
80202, and any
adjournment or
postponement thereof.

THIS PROXY, WHEN
PROPERLY
EXECUTED, WILL

BE VOTED AS
DIRECTED BY THE
STOCKHOLDER(S).
IF NO SUCH
DIRECTIONS ARE
MADE, THIS PROXY
WILL BE VOTED
FOR THE ELECTION
OF THE NOMINEES
LISTED ON THE
REVERSE SIDE FOR
THE BOARD OF
DIRECTORS, FOR
ITEMS 2 AND 3, AND
FOR A 1 YEAR
FREQUENCY IN
ITEM 4.

PLEASE MARK,
SIGN, DATE AND
RETURN THIS
PROXY CARD
PROMPTLY USING
THE ENCLOSED
REPLY ENVELOPE

Address Changes:

(If you noted any
Address Changes
above, please mark
corresponding box
on the reverse
side.)

CONTINUED
AND TO BE
SIGNED ON
REVERSE SIDE