



THE OPTIONS CLEARING CORPORATION

#25201

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DATE: DECEMBER 4, 2008

SUBJECT: UDR, INC. - SPECIAL CASH AND / OR STOCK DIVIDEND (ELECTION)
OPTION SYMBOLS: UDR/LDH
NEW SYMBOLS: UQW/LTZ
EX-DATE: DECEMBER 5, 2008
UPDATE

IMPORTANT NOTE: UDR, Inc. ("UDR") is providing UDR Shareholders with the ability to elect to receive the \$0.97 Special Dividend as well as a \$0.33 Ordinary Dividend in the form of cash or UDR Shares. No option adjustment will be made for the \$0.33 Ordinary Dividend. UDR, Inc. options will only be adjusted for that portion of the non-electing consideration that is paid in stock which applies to the \$0.97 Special Dividend.

The Chicago Board Options Exchange ("CBOE"), the NYSE Arca Exchange ("ARCX"), and the NASDAQ OMX PHLX Exchange ("PHLX") have advised The Options Clearing Corporation ("OCC") that UDR, Inc. ("UDR") has announced a Special Dividend valued at \$0.97 as well as a \$0.33 Ordinary Dividend. UDR Stockholders will have the ability to elect to receive the dividends in the form of cash or additional UDR shares. The consideration which will accrue to non-electing UDR Shareholders is not known at this time. The cash or stock election must be received prior to 5:00 p.m. (EDT) on January 20, 2009.

The ex-distribution date is Friday, December 5, 2008. The payable date is January 29, 2009. The record date is December 9, 2008.

IMPORTANT EXERCISE CONSIDERATIONS

UDR/LDH CALL OPTION HOLDERS WHO DO NOT WISH TO RECEIVE ONLY THE STOCK PORTION OF THE NON-ELECTING DIVIDEND CONSIDERATION MUST EXERCISE THEIR OPTIONS IN ADVANCE OF THE CONTRACT ADJUSTMENT AND MAKE THEIR OWN ELECTIONS. UDR/LDH OPTIONS WILL BE ADJUSTED TO CALL FOR ONLY THAT PORTION OF THE NON-ELECTING CONSIDERATION THAT IS PAID IN STOCK THAT APPLIES TO THE \$0.97 SPECIAL DIVIDEND. ANY PORTION OF THE NON-ELECTING SPECIAL DIVIDEND CONSIDERATION THAT IS PAID IN CASH WILL NOT BE INCLUDED IN THE ADJUSTED DELIVERABLE.

CONTRACT ADJUSTMENT

Pursuant to Article VI, Section 11, of OCC's By-Laws, all UDR, Inc. options will be adjusted as follows:

Effective Date: Effective the opening of business December 5, 2008 and thereafter

Option Symbols: UDR changes to UQW
LDH changes to LTZ

Number of Contracts: Unchanged

Strike Prices Unchanged

Multiplier: 100 (e.g., for premium or strike dollar extensions 1.00 will equal \$100.00)

New Deliverable Per Contract:

- 1) 100 UDR, Inc. ("UDR") Class A Common Shares
- 2) Any additional amount of UDR, Inc. ("UDR") Common Shares that applies to the \$0.97 special dividend which will accrue to non-electing UDR Shareholders (x 100)
- 3) Cash in lieu of fractional UDR shares, if any*

Delayed Settlement: Settlement of UQW/LTZ exercise/ assignment activity will be delayed until the non-electing special dividend consideration is determined.

CUSIP: 902653104

CATEGORY: CONTRACT ADJUSTMENTS
SUB-CATEGORY: STOCK SPLIT

For questions regarding this memo, call 1-888-OPTIONS or email options@theooc.com.