

UNITED DOMINION REALTY TRUST, INC.
CHARTER OF THE AUDIT COMMITTEE

Adopted February 10, 2005

PURPOSE AND AUTHORITY

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) to assist the Board (i) in fulfilling its responsibilities as to the quality and integrity of the Company’s financial records and reports; (ii) to prepare an audit committee report as required by the Securities and Exchange Commission (“SEC”) to be included in the Company’s annual proxy statement; and (iii) oversight of: (a) the integrity of the Company’s financial statements; (b) the Company’s compliance with legal and regulatory requirements; (c) the independent auditors’ qualifications and independence; and (d) the performance of the Company’s internal audit function and independent auditors.

COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members all of whom meet the independence requirements of the New York Stock Exchange. No Committee member may receive any consulting, advisory or other fees from the Company other than director and committee fees. No Committee member may simultaneously serve on the audit committee of more than two other public company audit committees. Each member of the Committee must be financially literate as determined by the Board, and at least one member shall have accounting or related financial management expertise and must be a “financial expert,” as defined by the SEC. The Chairman of the Board will be an ex-officio member of the Committee and shall have voting rights in the case of a tie vote.

The members of the Committee and its Chairperson shall be appointed by the Board, on the recommendation of the Governance Committee, to serve an annual term. Committee members may be replaced by the Board.

If the Chairperson is not present, the members may designate an acting Chairperson by majority vote of the membership present.

DUTIES AND RESPONSIBILITIES

General:

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

The operation of the Committee shall be subject to the Bylaws of the Company, as in effect from time to time. The Committee shall have the full power and authority to carry out the following responsibilities:

A. *Independent Audit*

1. The Committee is responsible for the appointment, compensation and oversight of the Company's independent auditors.
2. At least annually, obtain and review a report by the independent auditors describing (a) the independent auditors' internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review or peer review of the independent auditors or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the independent auditors, (c) any steps taken to deal with any such issues, and (d) (to assess the auditors' independence) all relationships between the independent auditors and the Company.
3. Review with the independent auditors, prior to the beginning of their audit, the scope of their examination and planning and staffing of the audit.
4. Meet with the independent auditors, without management present, and inquire as to:
 - whether there were any audit problems or difficulties encountered during their audit, including any restrictions on the scope of activities or access to requested information, and management's response;
 - whether there were accounting or disclosure issues not resolved to their satisfaction; and
 - whether there were any other matters (including matters affecting their independence) that should be discussed with the Committee that have not been raised or covered elsewhere.
5. Report the results of the audit to the Board and, if the Committee is satisfied with all of its reviews and discussions, recommend that the audited financial statements be included in the Annual Report on Form 10-K filed with the SEC.
6. Obtain from the independent auditors an annual written communication that is prepared in accordance with Standard No. 1 of the Independence Standards Board delineating all relationships of the independent auditors with the Company as well as the nature and extent of the professional advisory services provided to the Company.
7. Resolve any disagreements between the independent auditors and management.
8. Review and evaluate the independent auditors' qualifications, independence and performance, including a review and evaluation of the lead partner of the auditor, taking into account the opinions of Company management and personnel responsible for the Company's internal audit function.

9. Annually consider whether or not a change in the independent auditor is in the best interest of the Company.

B. Interim and Annual Financial Reports

Periodically and to the extent appropriate under the circumstances:

1. Review and discuss the Company's annual audited financial statements and interim and quarterly financial statements with management and the independent auditors, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
2. Generally discuss earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee need not discuss in advance each earnings release or each instance in which the Company provides earnings guidance.
3. Discuss with the independent auditors the results of their review of the interim financial results in accordance with Statement on Auditing Standards No. 71, such that the results are communicated:
 - prior to the filing with the SEC of the Company's Quarterly Report on Form 10-Q; and
 - either to all members of the Committee or to the Chair of the Committee.
4. Discuss with outside counsel and management the substance of any significant litigation, contingencies or claims that had, or may have, a significant impact on the financial statements.
5. Obtain timely reports from the independent auditors regarding:
 - the appropriateness and consistent application of the Company's critical accounting policies and practices;
 - all alternative treatments of financial information within generally accepted accounting principles discussed between the independent auditors and management, the ramifications of the use of such alternative treatments and the independent auditors' preferred treatment;
 - the reasonableness of significant estimates and judgments;
 - the clarity and completeness of the Company's financial disclosure practices;
 - any other material written communication between the auditors and management, such as any management letter or schedule of unadjusted differences; and

C. Internal Controls

Periodically and to the extent appropriate under the circumstances:

1. Discuss with management the adequacy and effectiveness of the Company's internal accounting and financial controls, including those related to the security of its information systems and risk assessment and risk management.
2. Review the independent auditors' letter to management and ascertain that management has adequately responded to the letter.
3. Receive quarterly reports from management on the Company's risk exposure to floating rate debt, and review the terms and market value of all derivative instruments used to manage interest rate and other financial risks.
4. Obtain reports from management, the Company's senior internal auditing executive and the independent auditors that the Company and its subsidiaries are in compliance with applicable laws and regulations, as well as the Company's Code of Business Conduct and Ethics. Review reports and disclosures of insider and affiliated party transactions.

D. Other

1. Pre-approve all non-audit services to be provided to the Company by the independent auditors and confirm that such services are not prohibited by law or the rules of the New York Stock Exchange and are disclosed in the Company's SEC filings.
2. Engage any outside advisors that the Committee determines to be necessary or appropriate and approve the compensation and other retention terms of such advisors.
3. Establish hiring policies for employees and former employees of the independent auditors. Confirm that within the year preceding the start of each year's audit, none of the Company's Chief Executive Officer, Chief Financial Officer, Controller, Chief Accounting Officer or any person serving in an equivalent position for the Company was employed by the auditors or participated in any capacity in the Company's audit.
4. Review with management or the independent auditors changes in, or adoption of, accounting principles and reporting and auditing standards that have had, or may have, an effect on the financial statements.
5. Periodically and to the extent appropriate under the circumstances review with management the Company's major financial exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
6. Periodically and to the extent appropriate under the circumstances review with management the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

7. Report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements or the performance of the internal audit function
8. Investigate any other matter brought to the Committee's attention within the scope of its duties and retain outside legal counsel and other experts for this purpose if, in the Committee's judgment, that is appropriate.
9. Obtain from the independent auditors assurance that it has complied with Section 10A of the Securities Exchange Act of 1934.
10. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
11. Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
12. Review its own performance at least annually.

MEETINGS

The Committee shall meet at least quarterly, unless otherwise agreed. The Committee may establish its own schedule and notify the Board. The Committee shall meet separately, periodically, with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditors.

MINUTES

The Committee will maintain written minutes of its meeting which minutes will be filed with the minutes of the meetings of the Board.

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