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CONFORMED SUBMISSION TYPE: 424B2
PUBLIC DOCUMENT COUNT: 1
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COMPANY DATA:
COMPANY CONFORMED NAME: UNITED DOMINION REALTY TRUST INC
CENTRAL INDEX KEY: 0000074208
STANDARD INDUSTRIAL CLASSIFICATION: 6798
IRS NUMBER: 540857512
STATE OF INCORPORATION: VA
FISCAL YEAR END: 1231

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FORMER COMPANY:
FORMER CONFORMED NAME: OLD DOMINION REAL ESTATE INVESTMENT TRUST
DATE OF NAME CHANGE: 19850110

FORMER COMPANY:
FORMER CONFORMED NAME: OLD DOMINION REIT ONE
DATE OF NAME CHANGE: 19770921

FORMER COMPANY:
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DATE OF NAME CHANGE: 19741216

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UNITED DOMINION LOGO

8 1/2% DEBENTURES DUE SEPTEMBER 15, 2024

Interest on the Debentures is payable on March 15 and September 15 of each year, commencing March 15, 1995. The Debentures are unsecured obligations of the Trust and will rank equally with all unsecured and unsubordinated indebtedness of the Trust. The indenture pursuant to which the Debentures will be issued contains certain restrictions on the Trust's ability to incur additional indebtedness. See "Description of Debt Securities" in the Prospectus accompanying this Prospectus Supplement.

The Debentures may not be redeemed at the option of the Trust prior to maturity. The registered holder of each Debenture may elect to have that Debenture, or any portion of the principal amount thereof that is a multiple of \$1,000, redeemed on September 15, 2004 at 100% of the principal amount together with accrued interest to September 15, 2004. Such election, which is irrevocable when made, must be made within the period commencing on July 15, 2004 and ending at the close of business on August 15, 2004.

The Debentures will be represented by a single Global Security (as defined herein) registered in the name of The Depository Trust Company ("DTC") or its nominee. Interests in the Global Security will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Except as described in "Description of Debentures -- Book-Entry System," Debentures in definitive form will not be issued. The Debentures will trade in DTC's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the Debentures will therefore settle in immediately available funds. All payments of principal and interest will be made by the Trust in immediately available funds. See "Description of Debentures -- Same-Day Settlement and Payment."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

<TABLE>
<CAPTION>

	INITIAL PUBLIC OFFERING PRICE(1)	UNDERWRITING DISCOUNT (2)	PROCEEDS TO TRUST (1)(3)
Per Debenture.....	99.689%	0.650%	99.039%
Total.....	\$149,533,500	\$975,000	\$148,558,500

- (1) Plus accrued interest, if any, from September 27, 1994.
- (2) The Trust has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
- (3) Before deducting estimated expenses of \$262,000 payable by the Trust.

The Debentures are offered by the Underwriters, as specified herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that delivery of the Debentures will be made through the facilities of DTC in New York, New York on or about September 27, 1994, against payment therefor in immediately available funds. GOLDMAN, SACHS & CO.

MERRILL LYNCH & CO.
NATIONSBANC CAPITAL MARKETS, INC.

The date of this Prospectus Supplement is September 20, 1994.

<PAGE>

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE DEBENTURES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE TRUST

United Dominion Realty Trust, Inc. (the "Trust") was founded in 1972 and is a

United Dominion Realty Trust, Inc. (the "Trust"), founded in 1972, is a self-administered equity real estate investment trust that owns and operates apartments in the Mid-Atlantic and Southeast from Delaware to Florida. It is a fully integrated real estate company that acquires, improves, operates, manages and selectively sells properties with the primary goal of maximizing its funds from operations, while increasing the value of its real estate through capital improvements and intensive management.

The Trust's 129 properties include 111 apartment communities containing 26,943 units, and 14 shopping centers, two warehouse/industrial properties and two office properties containing a total of approximately two million square feet of rentable space. Most of the Trust's properties are located in the Southeast. Management believes that the Trust has benefitted from the population and job growth within this region and that this region will continue to provide attractive demographic and economic patterns conducive to real estate investment in the 1990's.

The Trust's investment policy has been to acquire primarily apartment properties presenting the opportunity for higher occupancy, increased rents and enhanced property values through a program of renovation, refurbishment and intensive property management. Beginning in 1991, the Trust embarked on a major expansion of its apartment portfolio involving the acquisition of apartment properties having high occupancy levels and not requiring substantial renovation and entry into new geographic markets in contiguous states, most notably Florida. The properties have been acquired generally at significant discounts from replacement cost and at attractive current yields. Since the beginning of 1991, the Trust has acquired 74 apartment properties containing 18,331 units at a total cost of approximately \$563 million.

The Trust, a Virginia corporation, has its principal office at 10 South 6th Street, Suite 203, Richmond, Virginia 23219-3802, and its telephone number is (804) 780-2691. Unless the context indicates otherwise, the term "Trust," as used herein, includes the Trust and its subsidiaries, all of which are wholly-owned.

RECENT DEVELOPMENTS

1994 ACQUISITIONS

Since January 1, 1994, the Trust has acquired 38 apartment communities containing 9,094 apartment units at a total cost of \$313 million, including closing costs. These acquisitions include 24 properties of a 25-property portfolio that the Trust acquired subsequent to June 30, 1994 for \$162.5 million, including closing costs, from entities affiliated with Clover Financial Corporation. The remaining portfolio property, located in South Carolina, is expected to be purchased on or before November 1, 1994.

The Trust also has seven other apartment communities containing 1,995 units under contract in five separate transactions at an aggregate purchase price of approximately \$83 million, excluding closing costs, which includes tax-exempt housing bond financing in the aggregate amount of approximately \$18 million that the Trust will assume in the transactions. These properties are located in Florida (1,300 units) and Tennessee (695 units). There is no assurance that any of these proposed acquisitions will be consummated.

FINANCINGS

Since January 1, 1994, the Trust has completed (i) a private placement of \$12.4 million of tax-exempt housing bonds, (ii) public offerings of an aggregate of \$11.2 million of tax-exempt housing bonds, (iii) a public offering of \$75 million of 7 1/4% Notes due April 1, 1999, and (iv) a public offering of 8,479,400 shares of Common Stock at \$14.25 per share.

The Trust anticipates that it will continue to finance its acquisition program using a combination of debt, equity and convertible securities.

S-2

<PAGE>

USE OF PROCEEDS

The net proceeds to the Trust from the sale of the Debentures are estimated at \$148.3 million. The Trust presently intends to use approximately \$95.2 million of the net proceeds to repay notes payable, representing amounts outstanding under the Trust's bank lines of credit, having a current weighted average interest rate of 5.43%, which are payable on demand. This debt has been incurred subsequent to June 30, 1994 primarily for the acquisition of apartment properties. The remaining net proceeds will be applied to the acquisition of additional properties as described above in "Recent Developments." Pending such use, the Trust will invest the net proceeds in short-term money market instruments.

CAPITALIZATION

The following table sets forth the capitalization of the Trust at June 30, 1994 and as adjusted to give effect to an increase of approximately \$43.1

1994, and as adjusted to give effect to an increase of approximately \$45.1 million in mortgage notes payable resulting from mortgage assumptions in connection with property acquisitions since June 30, 1994, an increase of approximately \$95.2 million in notes payable since June 30, 1994, the issuance and sale of 479,400 shares of Common Stock since June 30, 1994, and the issuance and sale of the Debentures offered hereby and the application of a portion of the proceeds thereof. The table should be read in conjunction with the Trust's financial statements and related notes incorporated by reference herein.

<TABLE>
<CAPTION>

	JUNE 30, 1994	
	HISTORICAL	AS ADJUSTED
	<C>	<C>
	(IN THOUSANDS)	
Debt:		
Mortgage notes payable.....	\$ 95,834	\$ 138,936
8 1/2% Debentures due September 15, 2024.....	--	150,000
7 1/4% Notes due April 1, 1999.....	75,000	75,000
Other notes payable.....	127,761	127,761
Total debt.....	\$ 298,595	\$ 491,697
Shareholders' Equity:		
Preferred Stock, no par value; 25,000,000 shares authorized, no shares outstanding.....	--	--
Common Stock, \$1 par value; 100,000,000 shares authorized, 49,723,912 shares issued and outstanding (50,203,312 as adjusted).....	49,724	50,203
Additional paid-in capital.....	403,109	409,100
Notes receivable from officer shareholders.....	(4,090)	(4,090)
Distributions in excess of net income.....	(90,277)	(90,277)
Total shareholders' equity.....	\$ 358,466	\$ 364,936
Total capitalization.....	\$ 657,061	\$ 856,633

</TABLE>

S-3

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SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the Trust and should be read in conjunction with the financial statements and pro forma financial statements of the Trust and related notes incorporated herein by reference.

<TABLE>
<CAPTION>

SIX

MONTHS

ENDED

JUNE 30,

PRO

FORMA HISTORICAL

		YEAR ENDED DECEMBER 31,				
		1989	1990	1991	1992	1993
1993(1)	1993					
<S>		<C>	<C>	<C>	<C>	<C>
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(IN THOUSANDS, EXCEPT RATIO INFORMATION AND PER

SHARE DATA)

OPERATING DATA

Income:

Income from property operations:						
Rental income.....		\$ 37,173	\$ 44,042	\$ 51,250	\$ 63,202	\$ 89,084
\$137,312	\$ 41,918					

Property operating expenses.....		14,214	17,969	20,956	26,503	37,859
60,759	17,213					

Depreciation of real

estate owned.....	8,762	10,464	12,845	15,732	19,764
27,610	9,516				
	14,197	15,609	17,449	20,967	31,461
48,943	15,189				
Interest and other income...	1,552	273	79	1,402	708
270	112				
	15,749	15,882	17,528	22,369	32,169
49,213	15,301				
Expenses:					
Interest.....	9,934	9,435	11,859	11,697	16,938
26,923	8,387				
General and administrative.....	1,475	1,718	1,872	2,231	3,349
3,349	1,728				
Other depreciation and amortization.....	201	173	219	300	596
596	258				
	11,610	11,326	13,950	14,228	20,883
30,868	10,373				
Income before gains (losses) on investments and extraordinary item.....	4,139	4,556	3,578	8,141	11,286
18,345	4,928				
Gains (losses) on sales of investments.....	1,433	417	26	--	(89)
(89)	(89)				
Provision for possible investment losses.....	--	--	--	(1,564)	--
--	--				
Income before extraordinary item.....	5,572	4,973	3,604	6,577	11,197
18,256	4,839				
Extraordinary item -- early extinguishment of debt.....	(98)	(103)	(35)	(242)	--
--	--				
Net income.....	\$ 5,474	\$ 4,870	\$ 3,569	\$ 6,335	\$ 11,197
\$ 18,256	\$ 4,839				
Net income per share:					
Before extraordinary item...	\$.29	\$.21	\$.14	\$.19	\$.29
\$.39	\$.14				
Extraordinary item.....	(.01)	--	--	(.01)	--
--	--				
	\$.28	\$.21	\$.14	\$.18	\$.29
\$.39	\$.14				
Weighted average number of shares outstanding.....	19,329	23,238	24,642	34,604	38,202
46,681	35,328				
Distributions declared.....	\$ 12,156	\$ 14,402	\$ 15,872	\$ 23,271	\$ 27,988
\$ 33,924	\$ 13,437				
Distributions declared per share.....	.61	.62	.63	.66	.70
.70	.35				
OTHER DATA					
Funds from operations(2).....	\$ 12,865	\$ 15,231	\$ 17,158	\$ 24,185	\$ 31,658
\$ 46,563	\$ 14,705				
Ratio of earnings to fixed charges(3)(4).....	1.45x	1.43x	1.27x	1.54x	1.64x
1.67x	1.56x				
Ratio of funds from operations to fixed charges(2)(4).....	2.08x	2.43x	2.32x	3.00x	2.80x
2.69x	2.68x				

SIX MONTHS
ENDED
JUNE 30,

HISTORICAL
1994

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FORMA
1994(1)

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OPERATING DATA

Income:		
Income from property operations:		
Rental income.....	\$ 56,379	\$ 73,210
Property operating expenses.....	23,823	32,046
Depreciation of real estate owned.....	12,020	14,529
	20,536	26,635
Interest and other income...	386	297
	20,922	26,932
Expenses:		
Interest.....	10,474	13,998
General and administrative.....	2,595	2,595
Other depreciation and amortization.....	371	371
	13,440	16,964
Income before gains (losses) on investments and extraordinary item.....	7,482	9,968
Gains (losses) on sales of investments.....	--	--
Provision for possible investment losses.....	--	--
Income before extraordinary item.....	7,482	9,968
Extraordinary item -- early extinguishment of debt.....	(89)	(89)
Net income.....	\$ 7,393	\$ 9,879
Net income per share:		
Before extraordinary item...	\$.18	\$.20
Extraordinary item.....	--	--
	\$.18	\$.20
Weighted average number of shares outstanding.....	42,100	49,717
Distributions declared.....	\$ 17,878	\$ 19,532
Distributions declared per share.....	.39	.39
OTHER DATA		
Funds from operations(2).....	\$ 20,330	\$ 25,324
Ratio of earnings to fixed charges(3)(4).....	1.70x	1.70x
Ratio of funds from operations to fixed charges(2)(4).....	2.88x	2.77x
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<CAPTION>		

JUNE 30, 1994	DECEMBER 31,				
	1989	1990	1991	1992	1993
HISTORICAL					
BALANCE SHEET DATA					
Real estate owned, at cost....	\$251,051	\$294,205	\$361,503	\$454,115	\$582,213
\$683,645					
Total assets.....	231,537	259,532	314,473	390,365	505,840
682,427					
Mortgage and other notes payable.....	80,896	117,703	168,346	181,121	229,420
298,595					
Convertible subordinated debentures.....	15,808	14,987	--	--	--
--					
Shareholders' equity.....	127,764	118,154	136,152	197,677	259,963
358,466					

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PRO
FORMA(1)

<S>	<C>
BALANCE SHEET DATA	
Real estate owned, at cost....	\$848,452
Total assets.....	760,976
Mortgage and other notes payable.....	369,735
Convertible subordinated debentures.....	--
Shareholders' equity.....	364,936
</TABLE>	

S-4

<PAGE>

- (1) Pro forma operating data give effect to (i) the sale of 8,479,400 shares of Common Stock at \$14.25 per share, (ii) the acquisition of 30 apartment communities purchased in 1994 previously reported on Forms 8-K dated April 15, May 17 and May 26, 1994, and (iii) the acquisition of 11 apartment communities purchased in 1993 previously reported on Form 8-K dated December 31, 1993, as if the transactions had occurred at the beginning of each pro forma period presented. Pro forma balance sheet data give effect as of June 30, 1994, to (i) the July 1994 sale of 479,400 shares of Common Stock at \$14.25 per share, and (ii) the acquisition of 25 apartment properties subsequent to June 30, 1994.
- (2) Funds from operations is defined as income before gains (losses) on investments and extraordinary items adjusted for certain non-cash items, primarily real estate depreciation. The Trust considers funds from operations in evaluating property acquisitions and its operating performance, and believes that funds from operations should be considered along with, but not as an alternative to, net income and cash flows as a measure of the Trust's operating performance and liquidity. Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs.
- (3) For purposes of computing this ratio, earnings consist of income before extraordinary item plus fixed charges other than capitalized interest.
- (4) Fixed charges consist of interest on borrowed funds (including capitalized interest) and amortization of debt discount and expense.

S-5

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND OPERATIONS

RESULTS OF OPERATIONS

Funds from operations is defined as income before gains (losses) on investments and extraordinary items adjusted for certain non-cash items, primarily real estate depreciation. The Trust considers funds from operations in evaluating property acquisitions and its operating performance, and believes that funds from operations should be considered along with, but not as an alternative to, net income and cash flows as a measure of the Trust's operating performance and liquidity. Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs.

SIX MONTHS ENDED JUNE 30, 1994

For the first six months of 1994, the Trust reported increases over the comparable 1993 period in rental income, income from property operations, net income and funds from operations. The majority of the reported increases were attributable to the Trust's apartment acquisitions since the beginning of 1993 and, to a lesser extent, stronger rental demand throughout the Trust's market region. The performance of the Trust's mature group of apartments (13,832 units comprising 57 communities) contributed to the increases with economic occupancy at 93.4% for the first six months of 1994 compared to 91.5% for the first six months last year. The Trust considers an apartment community to be mature after it has been owned for a full calendar (fiscal) year. Average rents at these properties grew by 3.0% and operating expenses increased approximately 5.4%, increasing the operating expense ratio (the ratio of rental operating expenses to rental income) 0.1% to 44.4% for the first six months of 1994. Operating

expenses were abnormally high during the first quarter of 1994 primarily as a result of the unusually harsh winter. Net operating income (rental income minus rental operating expenses) from these apartment units was up \$958,000, or 5.0% for the first six months of 1994. For the remaining 6,678 apartment units acquired by the Trust since the beginning of 1993, economic occupancy averaged 92.4% during the first six months of 1994 and operating expenses averaged 43.8% of revenues.

For the first six months of 1994, net operating income from commercial properties increased 4.0%, or \$151,000, from the first six months of 1993, reflecting primarily additional small tenant leases.

Interest expense for the first six months of 1994 increased by approximately \$2.1 million, reflecting the financing of approximately \$94 million of apartment acquisitions since January, 1994 with bank lines of credit, tax-exempt bonds and \$75 million of senior unsecured notes that were publicly sold in early April, 1994. On a per share basis, interest expense increased \$0.01 in the first half of 1994 versus the first half of 1993.

For the first half of 1994, depreciation expense totaled \$12.0 million versus \$9.5 million for the first half of 1993. The increase of \$2.5 million reflects the portfolio expansion that has occurred during the past year.

Management expects that the Trust's operating results for the remainder of 1994 will show continued improvement when compared to the comparable period of 1993 as a result of the continued positive impact of the 1993 and 1994 acquisitions and anticipated occupancy gains and rent growth.

YEAR ENDED DECEMBER 31, 1993

For 1993, the Trust reported significant increases over 1992 in rental income, income from property operations, income before gains (losses) on investments and extraordinary item, net income, and funds from operations. These increases are attributable primarily to the significant portfolio expansion that has occurred since the beginning of 1992. The performance of the Trust's mature group of 10,924 apartment units (46 apartment communities) contributed to the increases.

For 1993, the Trust's mature apartment properties provided 60% of the Trust's rental income. These units had average economic occupancy of 91.2% during 1993 compared to 90.6% for 1992, an increase of 0.6%. In 1993, average rents at these properties grew 2.6% (to \$440 per month) and rental expenses increased 5.3%, resulting in an increase in the operating expense ratio of 0.8% to 47.9%. Net operating income from these apartment units was up approximately \$500,000, or 1.8%. For the remaining 6,990 apartment units acquired by the Trust since the beginning of 1992, economic occupancy averaged 92.1% and the operating expense ratio was 43.3% for 1993. For the 17,914 apartments in the 74 communities owned on December 31, 1993, economic occupancy averaged

S-6

<PAGE>

91.5% and the expense ratio was 46.4% for the full year. In 1992, the 13,832 units then owned had economic occupancy of 90.7% and an expense ratio of 46.5%.

For 1993, net operating income from commercial properties increased \$288,000, or 4.0%, primarily reflecting additional small tenant leases.

For 1993, depreciation expense increased \$4.0 million with substantially all of the increase attributable to the portfolio expansion that has occurred during 1993.

For 1993, interest income was \$708,000 compared to \$1.4 million in 1992. During both 1992 and 1993, the Trust completed public offerings of Common Stock and invested the proceeds temporarily in short-term money market investments. During 1992, however, the Trust had such temporary investments throughout much of the year at higher rates than in 1993 when the average amount invested in the money markets was significantly lower. Consequently, interest income declined in 1993.

Interest expense increased approximately \$5.2 million reflecting the fact that the Trust used less equity relative to debt to finance acquisitions in 1993 than it did in 1992. While interest expense increased \$0.105 per share in 1993, as a percent of rental income it was virtually unchanged from 1992.

LIQUIDITY AND CAPITAL RESOURCES

As a qualified REIT, the Trust distributes a substantial portion of its cash flow to its shareholders. Consequently, new acquisitions, property renovations and expansions, major capital improvements and balloon debt payments are funded by a variety of primarily external sources including bank borrowings, the issuance of equity and debt in public and private transactions and, to a much lesser extent, property sales and mortgage financings.

At the beginning of 1994, the Trust had approximately \$5.8 million of cash and cash equivalents and \$32.4 million of available and unused bank lines of credit. Since the beginning of 1994, the Trust has expanded its bank lines of

credit. Since the beginning of 1994, the Trust has expanded its bank lines of credit to \$103.5 million, an increase of \$42.5 million. On April 7, 1994, the Trust completed a \$75 million public offering of 7 1/4% senior unsecured notes due April 1, 1999. The notes were priced at 99.833% to yield 7.29% to maturity. Net proceeds of the debt offering of \$74.3 million were utilized to repay, in full, outstanding bank debt and to fund subsequent apartment acquisitions. During the second quarter of 1994, the Trust completed four tax-exempt housing bond placements totaling \$26.6 million (with a weighted average interest rate of 5.70%). In mid-June, 1994, the Trust completed a public offering of 8,000,000 shares of Common Stock at \$14.25 per share. In July, 1994, pursuant to an over-allotment option, the underwriters of that offering purchased an additional 479,400 shares of Common Stock, also at \$14.25 per share. Net proceeds of the Common Stock offering, after deducting underwriting commissions and direct offering costs, aggregated approximately \$114 million, of which approximately \$17.9 million was used to decrease then existing bank debt. The remaining net proceeds were temporarily invested in short-term money market investments and were subsequently used to purchase additional apartment properties. On July 1, 1994, in connection with a portfolio purchase discussed below, the Trust utilized \$80 million of cash from the Common Stock offering and \$47 million of bank borrowings to acquire 21 apartment properties.

On July 1, 1994, the Trust purchased from entities affiliated with Clover Financial Corporation 21 of 25 apartment communities included in a portfolio which had been under contract since April 1, 1994. The 21 communities, which contain 4,390 units and were purchased for \$143.7 million, including closing costs, are located in Alabama (2), Delaware (2), Florida (1), Georgia (1), Maryland (2), North Carolina (4), South Carolina (7) and Virginia (2). On August 16, 1994, three other apartment communities included in the portfolio, located in Maryland (2) and South Carolina (1) and containing 628 units, were purchased for \$18.8 million, including closing costs. The remaining community, located in South Carolina, is expected to be purchased on or before November 1, 1994.

In April, 1993, the Trust engaged outside property management for most of its shopping center properties, following the decision to exit the commercial property business. Management recently began to offer the Trust's Richmond, Virginia shopping centers for sale and anticipates that some or all of these centers will be sold during the remainder of 1994. The Trust will dispose of most of its commercial properties over the next few years.

The Trust's liquidity and capital resources are believed to be more than adequate to meet its cash requirements for the foreseeable future.

INFLATION

Management believes that the direct effects of inflation on the Trust's operations have been inconsequential.

S-7

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BUSINESS

GENERAL

The Trust acquires, improves, operates, manages and selectively sells properties with the principal objective of maximizing its funds from operations. To meet this objective, the Trust has emphasized the acquisition of properties that can be acquired at attractive initial yields and immediately increase funds from operations. Historically, the Trust's primary investment policy has been to acquire apartment properties presenting the opportunity for higher occupancy, increased rents and enhanced property values through a program of renovation, refurbishment and intensive property management. In 1991, the Trust expanded its investment policy with the acquisition of apartment properties having higher occupancies and requiring substantially less renovation. Generally, these properties have been acquired at significant discounts from replacement cost and at attractive initial yields. The Trust has also expanded into new geographic markets in contiguous states, most notably Florida. Since the beginning of 1991, the Trust has acquired 74 apartment properties containing 18,331 units at a total cost of approximately \$563 million.

The Trust seeks to employ leverage conservatively using primarily corporate debt, which is considered to be more flexible and less costly than mortgage debt on individual properties. At August 24, 1994, approximately \$667 million, or 75%, of the Trust's real estate owned at cost was unencumbered by mortgage debt. The Trust also uses tax-exempt housing bonds to finance eligible properties.

The Trust considers apartments to be its principal business and plans to commit substantially all of its investment portfolio and all of its new acquisitions to apartments. Over the long term, management believes that investment in apartments in the Southeast will benefit from the following factors:

(Bullet) Rental vacancy rates in the South Region (defined by the

Census Bureau as the 17-state region from Delaware to Texas) have declined to their lowest level since 1984.

(Bullet) There has been a significant decline in apartment construction in the Trust's target markets particularly from 1990 through 1993. While apartment construction permits increased slightly in the first six months of 1994 over the 1993 period, they remain well below levels in the mid and late 1980s.

(Bullet) Approximately 12 million new households are expected to be formed in the 1990s, and a majority of this growth is projected in the South Region.

(Bullet) Approximately 36% of all households were renters at the start of the decade. Despite historically low mortgage interest rates, the proportion of renter households has remained relatively constant.

(Bullet) There are estimates that a significant majority of today's renter households cannot afford to buy a moderately priced home in their region because of credit problems, the lack of a down payment or a monthly payment that is too high.

(Bullet) Other demographic characteristics favor apartment demand including an increase in single person and single parent households, higher growth rates among minorities, additional immigrant households and a decline in younger household income.

(Bullet) Job growth in the South Region has been very strong, averaging 2.8% in 1993, the highest of the four Census Bureau regions.

APARTMENTS

The Trust's apartments consist of a mix of lower to upper income properties with a majority being middle to moderate income. A majority of the tenants are family households. The apartments are typically suburban, garden or townhouse style units with one, two and three bedrooms. The units are generally individually heated and cooled, with all appliances and wall-to-wall carpet. Amenities normally include swimming pools, tennis courts, clubhouses and playgrounds. Some of the apartment communities also have fitness centers, volleyball courts, jacuzzis and racquet ball courts. The average cost for the Trust's apartments, including all renovations and refurbishment costs, was approximately \$29,500 per unit at June 30, 1994. During the second quarter of 1994, apartment occupancy averaged 93.9% overall and 94.2% for the mature 13,832 units which were acquired prior to 1993.

S-8

<PAGE>

The following chart shows the geographic distribution of the Trust's apartment properties.

<TABLE>

<CAPTION>

PERCENTAGE OF APARTMENT UNITS	NUMBER OF	
	APARTMENT PROPERTIES	NUMBER OF UNITS
<S> <C>	<C>	
12%	Columbia, South Carolina.....	11 3,218
12	Richmond, Virginia.....	12 3,170
10	Baltimore/Washington.....	11 2,621
9	Raleigh, North Carolina.....	8 2,440
9	Charlotte, North Carolina.....	12 2,334
8	Tampa/Clearwater, Florida.....	7 1,999
4	Greenville/Spartanburg, South Carolina.....	6 1,178
4	Tidewater, Virginia(1).....	5 1,140
	Atlanta, Georgia.....	4 1,123

4	Orlando, Florida.....	4	1,077
4	Wilmington, North Carolina.....	4	889
3	Nashville, Tennessee.....	3	842
3	Other North Carolina.....	6	1,288
5	Other Florida.....	5	1,200
4	Other Georgia.....	3	740
3	Other Virginia.....	4	570
2	Other South Carolina.....	2	408
2	Alabama.....	2	382
1	Delaware.....	2	324
1	Total.....	111	26,943

100%
</TABLE>

(1) The Norfolk/Virginia Beach/Newport News/Hampton area.

DESCRIPTION OF DEBENTURES

THE FOLLOWING DESCRIPTION OF THE PARTICULAR TERMS OF THE DEBENTURES OFFERED HEREBY (REFERRED TO IN THE ACCOMPANYING PROSPECTUS AS THE "DEBT SECURITIES") SUPPLEMENTS, AND TO THE EXTENT INCONSISTENT THEREWITH REPLACES, THE DESCRIPTION OF THE GENERAL TERMS AND PROVISIONS OF DEBT SECURITIES SET FORTH IN THE PROSPECTUS, TO WHICH DESCRIPTION REFERENCE IS HEREBY MADE. THE FOLLOWING STATEMENTS RELATING TO THE DEBENTURES AND THE SENIOR INDENTURE ARE SUMMARIES OF PROVISIONS CONTAINED THEREIN AND DO NOT PURPORT TO BE COMPLETE. SUCH STATEMENTS ARE QUALIFIED BY REFERENCE TO THE PROVISIONS OF THE SENIOR INDENTURE, INCLUDING THE DEFINITIONS THEREIN OF CERTAIN TERMS. THE SENIOR INDENTURE IS AN EXHIBIT TO THE REGISTRATION STATEMENT OF WHICH THE PROSPECTUS ACCOMPANYING THIS PROSPECTUS SUPPLEMENT IS A PART. CAPITALIZED TERMS NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE PROSPECTUS.

GENERAL

The 8 1/2% Debentures due September 15, 2024 (the "Debentures") will be limited to \$150,000,000 aggregate principal amount and will mature on September 15, 2024. The Debentures will be unsecured and unsubordinated obligations of the Trust and will rank equally with other unsecured and unsubordinated indebtedness of the Trust.

The Debentures will only be issued in fully registered book-entry form without coupons in denominations of \$1,000 and integral multiples thereof, except under the limited circumstances described below under " -- Book-Entry System."

INTEREST

The Debentures will bear interest at the rate set forth on the cover page of this Prospectus Supplement from September 27, 1994, or the most recent Interest Payment Date (as defined below) to which interest has been paid or provided for, payable semi-annually on March 15 and September 15 of each year, beginning March 15, 1995 (each, an "Interest Payment Date") to the person in whose name a Debenture (or any predecessor Debenture) is registered at the close of business on the March 1 or September 1, as the case may be, next preceding such Interest Payment Date.

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REDEMPTION AT OPTION OF TRUST

The Debentures may not be redeemed at the option of the Trust prior to maturity and do not provide for any sinking fund.

REDEMPTION AT OPTION OF HOLDER

The Debentures may be redeemed on September 15, 2004, at the option of the registered holders of the Debentures, at 100% of their principal amount together with accrued interest to September 15, 2004. In order for a holder to exercise this option, the Trust must receive at its office or agency in New York, New York, during the period beginning on July 15, 2004 and ending

at 5:00 PM (New York City time) on August 15, 2004 (or, if August 15, 2004 is not a Business Day, the next succeeding Business Day), the Debenture with the form entitled "Option to Require Redemption on September 15, 2004" on the reverse of the Debenture duly completed. Any such notice received by the Trust during the period beginning on July 15, 2004 and ending at 5:00 PM (New York City time) on August 15, 2004 shall be irrevocable. The redemption option may be exercised by the holder of a Debenture for less than the entire principal amount of the Debentures held by such holder, so long as the principal amount that is to be redeemed is equal to \$1,000 or an integral multiple of \$1,000. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any Debenture for redemption will be determined by the Trust, whose determination will be final and binding.

Failure by the Trust to repurchase the Debentures when required as described in the preceding paragraph will result in an Event of Default under the Senior Indenture.

As described below under " -- Book-Entry System," the Debentures will be registered in the name of The Depository Trust Company ("DTC ") or its nominee, which will be the holder thereof entitled to exercise the redemption option. In order to ensure that DTC or its nominee will exercise such option in a timely manner with respect to a particular Debenture, the beneficial owner of an interest in such Debenture must instruct the broker or other Participant (as defined below) through which it holds an interest in such Debenture to notify DTC or its nominee of its desire to exercise such option. Different Participants have different cut-off times for accepting instructions from their customers and, accordingly, each such beneficial owner should consult the Participant through which it holds an interest in the Debentures in order to ascertain the cut-off time by which such an instruction must be given in order for timely notice to be delivered to DTC or its nominee.

DEFEASANCE

The provisions of Article 14 of the Senior Indenture relating to defeasance and covenant defeasance, which are described in the accompanying Prospectus, will apply to the Debentures.

BOOK-ENTRY SYSTEM

The Debentures will be represented by a single global security (the "Global Security ") and registered in the name of DTC or its nominee. Upon the issuance of the Global Security, DTC or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the Debentures represented by the Global Security to the accounts designated by the Underwriters. Ownership of beneficial interests in the Global Security will be limited to institutions that have accounts with DTC or its nominee ("Participants") and to persons that may hold interests through Participants. Ownership of beneficial interests in the Global Security will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by such Participants. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and laws may impair the ability to transfer beneficial interests in the Global Security.

Notwithstanding any provision of the Senior Indenture or the Debentures, the Global Security may not be exchanged in whole or in part for Debentures registered, and no transfer of the Global Security in whole or in part may be registered, in the name of any Person other than DTC or any nominee of DTC unless (i) DTC has notified the Trust that it is unwilling or unable to continue as depository for the Global Security or has ceased to be qualified to act as such as required by the Senior Indenture or (ii) there shall have occurred and be continuing an Event of Default with respect to the Debentures. All Debentures issued in exchange for the Global Security or any portion thereof will be registered in such names as DTC may direct.

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As long as DTC or its nominee is the registered holder and owner of the Global Security, DTC or such nominee, as the case may be, will be considered the sole owner and holder of the Debentures for all purposes of such Debentures and for all purposes under the Senior Indenture. Except in the limited circumstances referred to above, owners of beneficial interests in the Global Security will not be entitled to have the Debentures registered in their names, will not receive or be entitled to receive

physical delivery of certificated debentures in definitive form and will not be considered to be the owners or holders of any Debentures under the Senior Indenture or the Debentures. Payment of principal of, and interest and premium, if any, on the Debentures will be made to DTC or its nominee, as the case may be, as the registered owner or holder of the Global Security.

Payments, transfers, exchanges and other matters relating to beneficial interests in the Global Security may be subject to various policies and procedures adopted by DTC from time to time. Neither the Trust nor the Trustee will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Security for any Debentures or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between DTC and its Participants or the relationship between such Participants and the owners of beneficial interests in the Global Security owning through such Participants.

The following is based on information furnished by DTC:

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its Participants deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers (including the Underwriters), banks, trust companies, clearing corporations, and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly. The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

SAME-DAY SETTLEMENT AND PAYMENT

Settlement for the Debentures will be made by the Underwriters in immediately available funds. All payments of principal and interest will be made by the Trust in immediately available funds, so long as DTC continues to make its Same-Day Funds Settlement System available to the Trust.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearinghouse or next-day funds. In contrast, the Debentures will trade in DTC's Same-Day Funds Settlement System, and secondary market trading activity in the Debentures will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Debentures.

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UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement, the Trust has agreed to sell to each of the Underwriters named below, and each of the Underwriters has severally agreed to purchase, the principal amount of the Debentures set forth opposite its name below:

<TABLE>
<CAPTION>

PRINCIPAL AMOUNT

UNDERWRITER

OF DEBENTURES

<S>
<C>

Goldman, Sachs &

Co..... \$
60,000,000

Merrill Lynch, Pierce, Fenner & Smith

Incorporated

60,000,000

incorporated..... 30,000,000
 NationsBanc Capital Markets, Inc.
 30,000,000

Total.....
 \$150,000,000
 </TABLE>

Under the terms and conditions of the Underwriting Agreement, the Underwriters are committed to take and pay for all of the Debentures, if any are taken.

The Underwriters propose to offer the Debentures in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus Supplement and in part to certain securities dealers at such price less a concession of .40% of the principal amount of the Debentures. The Underwriters may allow, and such dealers may reallow, a concession not to exceed .25% of the principal amount of the Debentures to certain brokers and dealers. After the Debentures are released for sale to the public, the offering price and other selling terms may from time to time be varied by the Underwriters.

The Debentures are a new issue of securities with no established trading market. The Trust has been advised by the Underwriters that the Underwriters intend to make a market in the Debentures but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Debentures.

The Trust has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

NationsBanc Capital Markets, Inc. and NationsBank of Virginia, N.A. are each wholly-owned subsidiaries of NationsBank Corporation, a bank holding company. NationsBank of Virginia, N.A. is the Trustee under the Senior Indenture. NationsBank of Virginia, N.A. also has lending relationships with the Trust.

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 PROSPECTUS

\$400,000,000

DEBT SECURITIES
 PREFERRED STOCK
 COMMON STOCK

United Dominion Realty Trust, Inc. (the "Trust") intends to issue from time to time its (i) unsecured senior or subordinated debt securities (the "Debt Securities"), (ii) shares of Preferred Stock, no par value ("Preferred Stock"), and (iii) shares of Common Stock, \$1 par value ("Common Stock"), having an aggregate initial public offering price not to exceed \$400,000,000 or the equivalent thereof in one or more foreign currencies or composite currencies, including European Currency Units, on terms to be determined at the time of sale. The Debt Securities, the Preferred Stock and the Common Stock offered hereby (collectively, the "Offered Securities") may be offered, separately or as units with other Offered Securities, in separate series in amounts, at prices and on terms to be determined at the time of sale and to be set forth in a supplement to this Prospectus (a "Prospectus Supplement").

The Debt Securities will be direct unsecured obligations of the Trust and may be either senior Debt Securities ("Senior Securities") or subordinated Debt Securities ("Subordinated Securities"). The Senior Securities will rank equally with all other unsecured and unsubordinated indebtedness of the Trust. The Subordinated Securities will be subordinated to all existing and future Senior Debt of the Trust, as defined. See "Description of Debt Securities."

The specific terms of the Offered Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and will include, where applicable, (i) in the case of Debt Securities, the specific designation, aggregate principal amount, currency, denomination, maturity, priority, interest rate, time of payment of interest, terms of redemption at the option of the Trust or repayment at the option of the holder or for sinking fund payments, terms for conversion into or exchange for

other Offered Securities and the initial public offering price; (ii) in the case of Preferred Stock, the series designation and number of shares and the dividend, liquidation, redemption, conversion, voting and other rights and the initial public offering price; (iii) in the case of Common Stock, the initial public offering price; and (iv) in the case of all Offered Securities, whether such Offered Securities will be offered separately or as a unit with other Offered Securities. In addition, such specific terms may include limitations on direct or beneficial ownership and restrictions on transfer of the Offered Securities, in each case as may be appropriate to preserve the status of the Trust as a qualified real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code").

The applicable Prospectus Supplement will also contain information, where applicable, concerning certain United States federal income tax considerations relating to, and any listing on a securities exchange of, the Offered Securities covered thereby.

The Offered Securities may be offered directly, through agents designated from time to time by the Trust, or to or through underwriters or dealers. If any designated agents or any underwriters are involved in the sale of Offered Securities, they will be identified and their compensation will be described in the applicable Prospectus Supplement. See "Plan of Distribution." No Offered Securities may be sold without delivery of the applicable Prospectus Supplement describing such Offered Securities and the method and terms of the offering thereof.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE DATE OF THIS PROSPECTUS IS SEPTEMBER 20, 1994.

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AVAILABLE INFORMATION

The Trust is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information filed by the Trust with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at its Regional Offices at Suite 1400, Northwestern Atrium Center, 500 West Madison Street, Chicago, Illinois 60661 and Suite 1300, 7 World Trade Center, New York, New York 10048, and can also be inspected and copied at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, upon payment of the prescribed fees.

This Prospectus is part of a registration statement on Form S-3 (together with all amendments and exhibits, the "Registration Statement") filed by the Trust with the Commission under the Securities Act of 1933, as amended (the "Securities Act"). This Prospectus does not contain all the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules of the Commission. For further information, reference is made to the Registration Statement.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Trust with the Commission under the Exchange Act are hereby incorporated by reference in this Prospectus: (i) the Trust's annual report on Form 10-K for the year ended December 31, 1993; (ii) the Trust's quarterly reports on Form 10-Q for the quarters ended March 31 and June 30, 1994; (iii) the Trust's Current Report on Form 8-K dated April 15, 1994; (iv) the Trust's Current Report on Form 8-K dated May 17, 1994; (v) the Trust's Current Report on Form 8-K dated May 26, 1994; (vi) the Trust's Current Report on Form 8-K dated July 1, 1994; (vii) the Trust's Current Report on Form 8-K dated August 31, 1994; and (viii) the description of the Common Stock contained in the Trust's registration statement on Form 8-A dated April 19, 1990 filed under the Exchange Act, including any amendment or reports filed for the purpose of updating such description. All documents filed by the Trust pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering of all of the Offered Securities shall be deemed to

be incorporated by reference herein.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in any accompanying Prospectus Supplement relating to a specific offering of Offered Securities or in any other subsequently filed document, as the case may be, which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus or any accompanying Prospectus Supplement.

The Trust will provide on request and without charge to each person to whom this Prospectus is delivered a copy (without exhibits) of any or all documents incorporated by reference into this Prospectus. Requests for such copies should be directed to United Dominion Realty Trust, Inc., 10 South 6th Street, Suite 203, Richmond, Virginia 23219-3802, Attention: Secretary (telephone 804/780-2691).

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THE TRUST

The Trust, founded in 1972, is a self-administered equity real estate investment trust that owns and operates apartments in the Mid-Atlantic and Southeast from Delaware to Florida. It is a fully integrated real estate company that acquires, improves, operates, manages and selectively sells properties with the primary goal of maximizing its funds from operations, while increasing the value of its real estate through capital improvements and intensive management.

The Trust's 129 properties include 111 apartment communities containing 26,943 apartment units, and 14 shopping centers, two warehouse/industrial properties and two office properties containing a total of approximately two million square feet of rentable space. Most of the Trust's properties are located in the Southeast. Management believes that the Trust has benefitted from the population and job growth within this region and that this region will continue to provide attractive demographic and economic patterns conducive to real estate investment in the 1990's.

The Trust's investment policy has been to acquire apartment properties presenting the opportunity for higher occupancy, increased rents and enhanced property values through a program of renovation, refurbishment and intensive property management. Beginning in 1991, the Trust embarked on a major expansion of its apartment portfolio involving the acquisition of apartment properties having high occupancy levels and not requiring substantial renovation and entry into new geographic markets in contiguous states, most notably Florida. The properties have been acquired generally at significant discounts from replacement cost and at attractive current yields. Since the beginning of 1991, the Trust has acquired 74 apartment properties containing 18,331 units at a total cost of approximately \$563 million.

The Trust has paid continuous quarterly distributions to its shareholders since 1973 and has increased its distributions each year during the past 18 years. The current indicated annual distribution is \$.78 per share. In past years, a portion of the Trust's distributions to shareholders has been designated as a non-taxable return of capital for federal income tax purposes.

The Trust, a Virginia corporation, has its principal office at 10 South 6th Street, Suite 203, Richmond, Virginia 23219-3802, and its telephone number is (804) 780-2691. Unless the context indicates otherwise, the term "Trust," as used herein, includes the Trust and its subsidiaries, all of which are wholly-owned.

USE OF PROCEEDS

Unless otherwise set forth in the applicable Prospectus Supplement, the net proceeds from the sale of the Offered Securities will be used for general corporate purposes, which may include repayment of indebtedness, making improvements to properties and the acquisition of additional properties.

CERTAIN RATIOS

The following table sets forth the Trust's consolidated ratios of earnings to fixed charges and funds from operations to fixed charges for the periods shown.

<TABLE>

<CAPTION>

						SIX
MONTHS						ENDED
	YEAR ENDED DECEMBER 31,					
JUNE 30,	1989	1990	1991	1992	1993	1993

1994							
Ratio of earnings to fixed charges.....	1.45x	1.43x	1.27x	1.54x	1.64x	1.56x	
1.70x							
Ratio of funds from operations to fixed charges.....	2.08x	2.43x	2.32x	3.00x	2.80x	2.68x	
2.88x							

The ratios of earnings to fixed charges were computed by dividing earnings by fixed charges and the ratios of funds from operations to fixed charges were computed by dividing funds from operations by fixed charges. For purposes of computing these ratios, earnings consist of income before extraordinary items plus fixed charges other than capitalized interest, and fixed charges consist of interest on borrowed funds (including capitalized interest) and amortization of debt discount and expense. Funds from operations is defined as income before gains (losses) on investments and extraordinary items adjusted for certain non-cash items, primarily real estate depreciation. To date, the Trust has not issued any shares of Preferred Stock; therefore, the ratios of earnings to combined fixed charges and preferred share dividends and funds from operations to combined fixed charges and preferred share dividends are the same as those presented in the table.

3

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DESCRIPTION OF DEBT SECURITIES

GENERAL

The Senior Securities are to be issued under an indenture dated as of April 1, 1994, as supplemented from time to time (the "Senior Indenture"), between the Trust and NationsBank of Virginia, N.A. (the "Senior Indenture Trustee"), and the Subordinated Securities are to be issued under an indenture dated as of August 1, 1994, as supplemented from time to time (the "Subordinated Indenture"), between the Trust and Crestar Bank (the "Subordinated Indenture Trustee"). The term "Trustee," as used herein, shall refer to the Senior Indenture Trustee or the Subordinated Indenture Trustee, as appropriate. The forms of the Senior Indenture and the Subordinated Indenture (being sometimes referred to herein collectively as the "Indentures" and individually as an "Indenture") are filed as exhibits to the Registration Statement and are respectively available for inspection at the corporate trust office of the Senior Indenture Trustee in Atlanta, Georgia, and the corporate trust office of the Subordinated Indenture Trustee in Richmond, Virginia, or as described under "Available Information." The Indentures are subject to, and governed by, the Trust Indenture Act of 1939, as amended (the "TIA"). The statements made hereunder relating to the Indentures and the Debt Securities are summaries of certain provisions thereof, do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indentures and the Debt Securities. All section references appearing herein are to sections of the Indentures, and capitalized terms used but not defined herein have the respective meanings set forth in the Indentures and the Debt Securities.

TERMS

The Debt Securities will be direct, unsecured obligations of the Trust. The indebtedness represented by the Senior Securities will rank equally with all other unsecured and unsubordinated indebtedness of the Trust. The indebtedness represented by the Subordinated Securities will be subordinated in right of payment to the prior payment in full of the Senior Debt of the Trust, as described under "Subordination."

Each Indenture provides that the Debt Securities may be issued without limit as to aggregate principal amount, in one or more series, in each case as established from time to time in or pursuant to authority granted by a resolution of the Board of Directors of the Trust or as established in one or more indentures supplemental to such Indenture. Debt Securities may be issued with terms different from those of Debt Securities previously issued; all Debt Securities of one series need not be issued at the same time and, unless otherwise provided, a series may be reopened, without the consent of the Holders of the Debt Securities of such series, for issuances of additional Debt Securities of such series (Section 301 of each Indenture).

Each Indenture provides that there may be more than one Trustee thereunder, each with respect to one or more series of Debt Securities. Any Trustee under

either Indenture may resign or be removed with respect to one or more series of Debt Securities, and a successor Trustee may be appointed to act with respect to such series (Section 608 of each Indenture). In the event that two or more persons are acting as Trustee with respect to different series of Debt Securities, each such Trustee shall be a Trustee of a trust under the applicable Indenture separate and apart from the trust administered by any other Trustee (Sections 101 and 609 of each Indenture), and, except as otherwise indicated herein, any action described herein to be taken by the Trustee may be taken by each such Trustee with respect to, and only with respect to, the one or more series of Debt Securities for which it is Trustee under the applicable Indenture.

Reference is made to the Prospectus Supplement relating to the series of Debt Securities being offered for the specific terms thereof, including:

(1) the title of such Debt Securities and whether such Debt Securities are Senior Securities or Subordinated Securities;

(2) the aggregate principal amount of such Debt Securities and any limit on such principal amount;

(3) the percentage of the principal amount at which such Debt Securities will be issued and, if other than the principal amount thereof, the portion of the principal amount payable upon declaration of acceleration of the maturity thereof, or (if applicable) the portion of the principal amount of such Debt Securities that is convertible into Capital Stock of the Trust, or the method by which any such portion will be determined;

4

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(4) if convertible, in connection with the preservation of the Trust's status as a REIT, any applicable limitations on the ownership or transferability of the Capital Stock of the Trust into which such Debt Securities are convertible;

(5) the date or dates, or the method by which such date or dates will be determined, on which the principal of such Debt Securities will be payable and the amount of principal payable thereon;

(6) the rate or rates (which may be fixed or variable) at which such Debt Securities will bear interest, if any, or the method by which such rate or rates will be determined, the date or dates from which such interest will accrue or the method by which such date or dates will be determined, the Interest Payment Dates on which any such interest will be payable and the Regular Record Dates for such Interest Payment Dates, or the method by which such Dates will be determined, and the basis upon which interest will be calculated if other than that of a 360-day year consisting of twelve 30-day months;

(7) the place or places where the principal of (and premium or Make-Whole Amount (as defined in each Indenture), if any), interest, if any, on, and Additional Amounts, if any, payable in respect of, such Debt Securities will be payable, where such Debt Securities may be surrendered for registration of transfer or exchange and where notices or demands to or upon the Trust in respect of such Debt Securities and the applicable Indenture may be served;

(8) the period or periods within which, the price or prices (including premium or Make-Whole Amount, if any) at which, the currency or currencies, currency unit or units or composite currency or currencies in which and other terms and conditions upon which such Debt Securities may be redeemed in whole or in part, at the option of the Trust, if the Trust is to have the option;

(9) the obligation, if any, of the Trust to redeem, repay or purchase such Debt Securities pursuant to any sinking fund or analogous provision or at the option of a Holder thereof, and the period or periods within which or the date or dates on which, the price or prices at which, the currency or currencies, currency unit or units or composite currency or currencies in which, and other terms and conditions upon which such Debt Securities will be redeemed, repaid or purchased, in whole or in part, pursuant to such obligation;

(10) whether such Debt Securities will be in registered or bearer form and terms and conditions relating thereto, and, if other than \$1,000 and any integral multiple thereof, the denominations in which any registered Debt Securities will be issuable and, if other than \$5,000, the denomination or denominations in which any bearer Debt Securities will be issuable;

(11) if other than United States dollars, the currency or currencies in which such Debt Securities will be denominated and payable, which may be

in which such Debt Securities will be denominated and payable, which may be a foreign currency or units of two or more foreign currencies or a composite currency or currencies;

(12) whether the amount of payments of principal of (and premium or Make-Whole Amount, if any) or interest, if any, on such Debt Securities may be determined with reference to an index, formula or other method (which index, formula or method may be based, without limitation, on one or more currencies, currency units, composite currencies, commodities, equity indices or other indices), and the manner in which such amounts will be determined;

(13) whether the principal of (and premium or Make-Whole Amount, if any) or interest or Additional Amounts, if any, on such Debt Securities are to be payable, at the election of the Trust or a Holder thereof, in a currency or currencies, currency unit or units or composite currency or currencies other than that in which such Debt Securities are denominated or stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made, and the time and manner of, and identity of the exchange rate agent with responsibility for, determining the exchange rate between the currency or currencies, currency unit or units or composite currency or currencies in which such Debt Securities are denominated or stated to be payable and the currency or currencies, currency unit or units or composite currency or currencies in which such Debt Securities are to be so payable;

(14) provisions, if any, granting special rights to the Holders of such Debt Securities upon the occurrence of such events as may be specified;

5

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(15) any deletions from, modifications of or additions to the Events of Default or covenants of the Trust with respect to such Debt Securities, whether or not such Events of Default or covenants are consistent with the Events of Default or covenants set forth in the applicable Indenture;

(16) whether such Debt Securities will be issued in certificated or book-entry form;

(17) the applicability, if any, of the defeasance and covenant defeasance provisions of Article Fourteen of the applicable Indenture;

(18) whether and under what circumstances the Trust will pay Additional Amounts as contemplated in the applicable Indenture on such Debt Securities in respect of any tax, assessment or governmental charge and, if so, whether the Trust will have the option to redeem such Debt Securities rather than pay such Additional Amounts (and the terms of any such option); and

(19) any other terms of such Debt Securities not inconsistent with the provisions of the applicable Indenture (Section 301 of each Indenture).

The Debt Securities may provide for less than the entire principal amount thereof to be payable upon declaration of acceleration of the maturity thereof ("Original Issue Discount Securities") (Section 502 of each Indenture). Special United States federal income tax, accounting and other considerations applicable to Original Issue Discount Securities will be described in the applicable Prospectus Supplement.

DENOMINATIONS, INTEREST, REGISTRATION AND TRANSFER

Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities of any series issued in registered form will be issuable in denominations of \$1,000 and integral multiples thereof. Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities of any series issued in bearer form will be issuable in denominations of \$5,000 (Section 302 of each Indenture).

Unless otherwise specified in the applicable Prospectus Supplement, the principal of (and premium or Make-Whole Amount, if any) and interest on any series of Senior Securities will be payable at the corporate trust office of the Senior Indenture Trustee located at 715 Peachtree Street, N.E., Midtown Center, 7th Floor, Atlanta, Georgia 30308-1297 and the principal of (and premium or Make-Whole Amount, if any) and interest on any series of Subordinated Securities will be payable at the corporate trust office of the Subordinated Indenture Trustee located at 919 East Main Street, Richmond, Virginia 23219; provided that at the option of the Trust payment of interest on any series of Debt Securities may be made by check mailed to the address of the Person entitled thereto as it appears in the Security Register for such series or by wire transfer of funds to such Person at an account maintained within the United States (Sections 301, 305, 306, 307 and 1002 of each Indenture).

Any interest not punctually paid or duly provided for on any Interest

Payment Date with respect to a Debt Security ("Defaulted Interest") will forthwith cease to be payable to the Holder on the applicable Regular Record Date and may either be paid to the Person in whose name such Debt Security is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to the Holder of such Debt Security not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more completely described in the applicable Indenture (Section 307 of each Indenture).

Subject to certain limitations imposed upon Debt Securities issued in book-entry form, the Debt Securities of any series will be exchangeable for other Debt Securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations upon surrender of such Debt Securities at the corporate trust office of the applicable Trustee referred to above. In addition, subject to certain limitations imposed upon Debt Securities issued in book-entry form, the Debt Securities of any series may be surrendered for conversion or registration of transfer thereof at the corporate trust office of the applicable Trustee referred to above. Every Debt Security surrendered for conversion, registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer. No service charge will be made for any registration or transfer or exchange of any Debt Securities, but the Trust may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith (Section 305 of each Indenture). If the applicable Prospectus Supplement refers to any transfer agent (in addition to the applicable Trustee) initially designated by the Trust with respect to any series of Debt Securities, the Trust may at any time rescind the designation of any such transfer agent or

6

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approve a change in the location through which such transfer agent acts, except that the Trust will be required to maintain a transfer agent in each Place of Payment for such series. The Trust may at any time designate additional transfer agents with respect to any series of Debt Securities (Section 1002 of each Indenture).

Neither the Trust nor either Trustee shall be required to (i) issue, register the transfer of or exchange Debt Securities of any series during a period beginning at the opening of business 15 days before any selection of Debt Securities of that series to be redeemed and ending at the close of business on the day of mailing of the relevant notice of redemption; (ii) register the transfer of or exchange any Debt Security, or portion thereof, called for redemption, except the unredeemed portion of any Debt Security being redeemed in part; or (iii) issue, register the transfer of or exchange any Debt Security which has been surrendered for repayment at the option of the Holder, except the portion, if any, of such Debt Security not to be so repaid (Section 305 of each Indenture).

MERGER, CONSOLIDATION OR SALE

The Trust may consolidate with, or sell, lease or convey all or substantially all of its assets to, or merge with or into, any other entity, provided that (a) either the Trust shall be the continuing entity, or the successor entity (if other than the Trust) formed by or resulting from any such consolidation or merger or which shall have received the transfer of such assets is a Person organized and existing under the laws of the United States or any State thereof and shall expressly assume payment of the principal of (and premium or Make-Whole Amount, if any) and interest on all of the Debt Securities and the due and punctual performance and observance of all of the covenants and conditions contained in each Indenture; (b) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Trust or any Subsidiary as a result thereof as having been incurred by the Trust or such Subsidiary at the time of such transaction, no Event of Default under an Indenture, and no event which, after notice or the lapse of time, or both, would become such an Event of Default, shall have occurred and be continuing; and (c) an Officers' Certificate and legal opinion covering such conditions shall be delivered to the Trustee (Sections 801 and 803 of each Indenture).

CERTAIN COVENANTS

SENIOR INDENTURE LIMITATIONS ON INCURRENCE OF DEBT. The Senior Indenture provides that the Trust will not, and will not permit any Subsidiary to, incur any Debt (as defined below) if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of the Trust and its

Subsidiaries on a consolidated basis determined in accordance with generally accepted accounting principles is greater than 60% of the sum of (without duplication) (i) the Trust's Total Assets as of the end of the calendar quarter covered in the Trust's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Commission (or, if such filing is not permitted under the Exchange Act, with the Trustee) prior to the incurrence of such additional Debt and (ii) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Trust or any Subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt (Section 1004 of the Senior Indenture). The Subordinated Indenture does not limit the incurrence of Debt.

In addition to the foregoing limitation on the incurrence of Debt, the Senior Indenture provides that the Trust will not, and will not permit any Subsidiary to, incur any Debt secured by any mortgage, lien, charge, pledge, encumbrance or security interest of any kind upon any of the property of the Trust or any Subsidiary if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of the Trust and its Subsidiaries on a consolidated basis which is secured by any mortgage, lien, charge, pledge, encumbrance or security interest on property of the Trust or any Subsidiary is greater than 40% of the Trust's Total Assets (Section 1004 of the Senior Indenture).

In addition to the foregoing limitations on the incurrence of Debt, the Senior Indenture provides that the Trust will not, and will not permit any Subsidiary to, incur any Debt if the ratio of Consolidated Income Available for Debt Service (as defined below) to the Annual Service Charge (as defined below) for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred shall have been less than 1.5, on a pro forma basis after giving effect thereto and to the application of the proceeds therefrom, and calculated on the assumption that (i) such Debt and any other Debt incurred by the Trust and its Subsidiaries since the first day

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of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had occurred at the beginning of such period; (ii) the repayment or retirement of any other Debt by the Trust and its Subsidiaries since the first day of such four-quarter period had been incurred, repaid or retired at the beginning of such period (except that, in making such computation, the amount of Debt under any revolving credit facility shall be computed based upon the average daily balance of such Debt during such period); (iii) in the case of Acquired Debt (as defined below) or Debt incurred in connection with any acquisition since the first day of such four-quarter period, the related acquisition had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition being included in such pro forma calculation; and (iv) in the case of any acquisition or disposition by the Trust or its Subsidiaries of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation (Section 1004 of the Senior Indenture).

As used herein,

"ACQUIRED DEBT" means Debt of a Person (i) existing at the time such Person becomes a Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Debt incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Debt shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

"ANNUAL SERVICE CHARGE" as of any date means the maximum amount which is payable in any period for interest on, and original issue discount of, Debt of the Trust and its Subsidiaries and the amount of dividends which are payable in respect of any Disqualified Stock (as defined below).

"CAPITAL STOCK" means, with respect to any Person, any capital stock (including preferred stock), shares, interests, participations or other ownership interests (however designated) of such Person and any rights (other than debt securities convertible into or exchangeable for corporate stock),

warrants or options to purchase any thereof.

"CONSOLIDATED INCOME AVAILABLE FOR DEBT SERVICE" for any period means Funds from Operations (as defined below) of the Trust and its Subsidiaries plus amounts which have been deducted for interest on Debt of the Trust and its Subsidiaries.

"DEBT" of the Trust or any Subsidiary means any indebtedness of the Trust, or any Subsidiary, whether or not contingent, in respect of (without duplication) (i) borrowed money or evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any mortgage, pledge, lien, charge, encumbrance or any security interest existing on property owned by the Trust or any Subsidiary, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable, or all conditional sale obligations or obligations under any title retention agreement, (iv) the principal amount of all obligations of the Trust or any Subsidiary with respect to redemption, repayment or other repurchase of any Disqualified Stock or (v) any lease of property by the Trust or any Subsidiary as lessee which is reflected on the Trust's consolidated balance sheet as a capitalized lease in accordance with generally accepted accounting principles to the extent, in the case of items of indebtedness under (i) through (iii) above, that any such items (other than letters of credit) would appear as a liability on the Trust's consolidated balance sheet in accordance with generally accepted accounting principles, and also includes, to the extent not otherwise included, any obligation of the Trust or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Debt of another Person (other than the Trust or any Subsidiary) (it being understood that Debt shall be deemed to be incurred by the Trust or any Subsidiary whenever the Trust or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof).

"DISQUALIFIED STOCK" means, with respect to any Person, any Capital Stock of such Person which by the terms of such Capital Stock (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise (i) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, (ii) is convertible into or exchangeable or exercisable for Debt or Disqualified Stock or (iii) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the Stated Maturity of the series of Debt Securities.

8

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"FUNDS FROM OPERATIONS" for any period means income before gains (losses) on investments and extraordinary items plus amounts which have been deducted, and minus amounts which have been added, for the following non-cash items (without duplication): (a) provision for federal income taxes of the Trust and its Subsidiaries, (b) amortization of debt discount, (c) provision for property depreciation and amortization, (d) the effect of any noncash charge resulting from a change in accounting principles in determining income before gains (losses) on investments and extraordinary items for such period and (e) amortization of deferred charges, as reflected in the financial statements of the Trust and its Subsidiaries for such period determined on a consolidated basis in accordance with generally accepted accounting principles.

"TOTAL ASSETS" as of any date means the sum of (i) the Trust's Undepreciated Real Estate Assets and (ii) all other assets of the Trust determined in accordance with generally accepted accounting principles (but excluding intangibles).

"UNDEPRECIATED REAL ESTATE ASSETS" as of any date means the cost (original cost plus capital improvements) of real estate assets of the Trust and its Subsidiaries on such date, before depreciation and amortization determined on a consolidated basis in accordance with generally accepted accounting principles.

Except as described above, the Indentures do not contain any provisions that would limit the ability of the Trust to incur indebtedness or that would afford Holders of the Debt Securities protection in the event of a highly leveraged or similar transaction involving the Trust or in the event of a change of control. However, the Articles of Incorporation of the Trust include provisions for mandatory redemption and stopping transfer of its Common Stock designed to preserve the Trust's status as a REIT. The Code provides that concentration of more than 50% in value of direct or indirect ownership of Common Stock in five or fewer individual shareholders during the last six months

any year will result in disqualification of the Trust as a REIT. Enforcement of the provisions of the Trust's Articles of Incorporation would prevent such concentration and, therefore, prevent or hinder a change of control. Reference is made to the applicable Prospectus Supplement for information with respect to any deletions from, modifications of or additions to the Events of Default or covenants of the Trust that are described herein, including any addition of a covenant or other provision providing event risk or similar protection.

EXISTENCE. Except as described above under " -- Merger, Consolidation or Sale," the Trust will do or cause to be done all things necessary to preserve and keep in full force and effect the existence, rights (charter and statutory) and franchises of the Trust and its Subsidiaries; provided, however, that the Trust shall not be required to preserve any right or franchise if it determines that the preservation thereof is no longer desirable in the conduct of the business of the Trust and its Subsidiaries as a whole and that the loss thereof is not disadvantageous in any material respect to the Holders of the Debt Securities of any series (Section 1005 of each Indenture).

MAINTENANCE OF PROPERTIES. The Trust will cause all of its properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Trust may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that the Trust and its Subsidiaries shall not be prevented from selling or otherwise disposing of for value their properties in the ordinary course of business (Section 1006 of each Indenture).

INSURANCE. The Trust will, and will cause each of its Subsidiaries to, keep all of its insurable properties insured against loss or damage in an amount at least equal to their then full insurable value with financially sound and reputable insurance companies (Section 1007 of each Indenture).

PAYMENT OF TAXES AND OTHER CLAIMS. The Trust will pay or discharge or cause to be paid or discharged, before the same become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon it or any Subsidiary or upon the income, profits or property of the Trust or any Subsidiary, and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Trust or any Subsidiary; provided, however, that the Trust shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings (Section 1008 of each Indenture).

PROVISION OF FINANCIAL INFORMATION. Whether or not the Trust is subject to Section 13 or 15(d) of the Exchange Act, the Trust will, to the extent permitted under the Exchange Act, file with the Commission the annual

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reports, quarterly reports and other documents which the Trust would have been required to file with the Commission pursuant to such Section 13 and 15(d) if the Trust were so subject, such documents to be filed with the Commission on or prior to the respective dates (the "Required Filing Dates") by which the Trust would have been required so to file such documents if the Trust were so subject. The Trust will also in any event (x) within 15 days of each Required Filing Date (i) transmit by mail to all Holders of Debt Securities, as their names and addresses appear in the Security Register, without cost to such Holders, copies of the annual reports and quarterly reports which the Trust would have been required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act if the Trust were subject to such Sections and (ii) file with the Trustee copies of the annual reports, quarterly reports and other documents which the Trust would have been required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act if the Trust were subject to such Sections and (y) if filing such documents by the Trust with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective Holder (Section 1009 of each Indenture).

EVENTS OF DEFAULT, NOTICE AND WAIVER

Each Indenture provides that the following events are "Events of Default" with respect to any series of Debt Securities issued thereunder: (a) default for 30 days in the payment of any installment of interest or Additional Amounts payable on any Debt Security of such series; (b) default in the payment of the principal of (or premium or Make-Whole Amount, if any, on) any Debt Security of such series at its Maturity; (c) default in making any sinking fund payment as required for any Debt Security of such series; (d) default in the performance of

any other covenant of the Trust contained in the Indenture (other than a covenant added to the Indenture solely for the benefit of a series of Debt Securities issued thereunder other than such series), continued for 60 days after written notice as provided in the Indenture; (e) default under any bond, debenture, note, mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Trust (or by any Subsidiary, the repayment of which the Trust has guaranteed or for which the Trust is directly responsible or liable as obligor or guarantor) having an aggregate principal amount outstanding of at least \$10,000,000, whether such indebtedness now exists or shall hereafter be created, which default shall have resulted in such indebtedness being declared due and payable prior to the date on which it would otherwise have become due and payable, without such acceleration having been rescinded or annulled within 10 days after written notice as provided in the Indenture; (f) the entry by a court of competent jurisdiction of one or more judgments, orders or decrees against the Trust or any Subsidiary in an aggregate amount (excluding amounts fully covered by insurance) in excess of \$10,000,000 and such judgments, orders or decrees remain undischarged, unstayed and unsatisfied in an aggregate amount (excluding amounts fully covered by insurance) in excess of \$10,000,000 for a period of 30 consecutive days; (g) certain events of bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of the Trust or any Significant Subsidiary or for all or substantially all of either of its property; and (h) any other Event of Default provided with respect to such series of Debt Securities (Section 501 of each Indenture). The term "Significant Subsidiary" means each significant subsidiary (as defined in Regulation S-X promulgated under the Securities Act) of the Trust.

If an Event of Default under either Indenture with respect to Debt Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debt Securities of that series may declare the principal amount (or, if the Debt Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms thereof) of, and premium or Make-Whole Amount, if any, on, all of the Debt Securities of that series to be due and payable immediately by written notice thereof to the Trust (and to the Trustee if given by the Holders). However, at any time after such declaration of acceleration with respect to Debt Securities of such series (or of all Debt Securities then Outstanding under the applicable Indenture, as the case may be) has been made, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the Holders of not less than a majority in principal amount of the Outstanding Debt Securities of such series (or of all Debt Securities then Outstanding under the applicable Indenture, as the case may be) may rescind and annul such declaration and its consequences if (a) the Trust shall have deposited with the Trustee all required payments of the principal of (and premium or Make-Whole Amount, if any) and interest, and any Additional Amounts, on the Debt Securities of such series (or of all Debt Securities then Outstanding under the applicable Indenture, as the case may be), plus certain fees, expenses, disbursements and advances of the Trustee and (b) all Events of Default, other than the nonpayment of accelerated principal (or specified portion thereof and the premium or Make-

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Whole Amount, if any) or interest, with respect to the Debt Securities of such series (or of all Debt Securities then Outstanding under the applicable Indenture, as the case may be) have been cured or waived as provided in the Indenture (Section 502 of each Indenture). Each Indenture also provides that the Holders of not less than a majority in principal amount of the Outstanding Debt Securities of any series (or of all Debt Securities then Outstanding under the applicable Indenture, as the case may be) may waive any past default with respect to such series and its consequences, except a default (x) in the payment of the principal of (or premium or Make-Whole Amount, if any) or interest or Additional Amounts payable on any Debt Security of such series or (y) in respect of a covenant or provision contained in the applicable Indenture that cannot be modified or amended without the consent of the Holder of each Outstanding Debt Security affected thereby (Section 513 of each Indenture).

Each Trustee is required to give notice to the Holders of Debt Securities within 90 days of a default under the applicable Indenture; provided, however, that such Trustee may withhold notice to the Holders of any series of Debt Securities of any default with respect to such series (except a default in the payment of the principal of (or premium or Make-Whole Amount, if any) or

interest or Additional Amounts payable on any Debt Security of such series or in the payment of any sinking fund installment in respect of any Debt Security of such series) if the Responsible Officers of such Trustee consider such withholding to be in the interest of such Holders (Section 601 of each Indenture).

Each Indenture provides that no Holders of Debt Securities of any series may institute any proceedings, judicial or otherwise, with respect to such Indenture or for any remedy thereunder, except in the case of failure of the Trustee, for 60 days, to act after it has received a written request to institute proceedings in respect of an Event of Default from the Holders of not less than 25% in principal amount of the Outstanding Debt Securities of such series, as well as an offer of reasonable indemnity (Section 507 of each Indenture). This provision will not prevent, however, any Holder of Debt Securities from instituting suit for the enforcement of payment of the principal of (and premium or Make-Whole Amount, if any), interest on and Additional Amounts payable with respect to, such Debt Securities at the respective due dates thereof (Section 508 of each Indenture).

MODIFICATION OF THE INDENTURES

Modifications and amendments of either Indenture may be made with the consent of the Holders of not less than a majority in principal amount of all Outstanding Debt Securities issued under such Indenture that are affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the Holder of each such Debt Security affected thereby, (a) change the Stated Maturity of the principal of (or premium or Make-Whole Amount, if any), or any installment of principal of or interest or Additional Amounts payable on, any such Debt Security; (b) reduce the principal amount of, or the rate or amount of interest on, or any premium or Make-Whole Amount payable on redemption of, or any Additional Amounts payable with respect to, any such Debt Security, or reduce the amount of principal of an Original Issue Discount Security or Make-Whole Amount, if any, that would be due and payable upon declaration of acceleration of the maturity thereof or would be provable in bankruptcy, or adversely affect any right of repayment of the Holder of any such Debt Security; (c) change the Place of Payment, or the coin or currency, for payment of principal of (and premium or Make-Whole Amount, if any), or interest on, or any Additional Amounts payable with respect to, any such Debt Security; (d) impair the right to institute suit for the enforcement of any payment on or with respect to any such Debt Security; (e) reduce the percentage of Outstanding Debt Securities of any series necessary to modify or amend the applicable Indenture, to waive compliance with certain provisions thereof or certain defaults and consequences thereunder or to reduce the quorum or voting requirements set forth in the Indenture; or (f) modify any of the foregoing provisions or any of the provisions relating to the waiver of certain past defaults or certain covenants, except to increase the required percentage to effect such action or to provide that certain other provisions may not be modified or waived without the consent of the Holder of such Debt Security (Section 902 of each Indenture).

The Holders of not less than a majority in principal amount of Outstanding Debt Securities issued under either Indenture have the right to waive compliance by the Trust with certain covenants in such Indenture (Section 1012 of each Indenture).

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SUBORDINATION

Upon any distribution to creditors of the Trust in a liquidation, dissolution or reorganization, the payment of the principal of and interest on the Subordinated Securities will be subordinated to the extent provided in the Subordinated Indenture in right of payment to the prior payment in full of all Senior Debt (Sections 1601 and 1602 of the Subordinated Indenture), but the obligation of the Trust to make payment of the principal and interest on the Subordinated Securities will not otherwise be affected (Section 1608 of the Subordinated Indenture). No payment of principal or interest may be made on the Subordinated Securities at any time if a default on Senior Debt exists that permits the holders of such Senior Debt to accelerate its maturity and the default is the subject of judicial proceedings or the Trust receives notice of the default (Section 1603 of the Subordinated Indenture). After all Senior Debt is paid in full and until the Subordinated Securities are paid in full, holders will be subrogated to the rights of holders of Senior Debt to the extent that distributions otherwise payable to holders have been applied to the payment of Senior Debt (Section 1607 of the Subordinated Indenture). By reason of such subordination, in the event of a distribution of assets upon insolvency, certain

general creditors of the Trust may recover more, ratably, than holders of the Subordinated Securities.

Senior Debt is defined in the Subordinated Indenture as the principal of and interest on, or substantially similar payments to be made by the Trust in respect of, the following, whether outstanding at the date of execution of the Subordinated Indenture or thereafter incurred, created or assumed: (a) indebtedness of the Trust for money borrowed or represented by purchase-money obligations, (b) indebtedness of the Trust evidenced by notes, debentures, or bonds, or other securities issued under the provisions of an indenture, fiscal agency agreement or other instrument, (c) obligations of the Trust as lessee under leases of property either made as part of any sale and leaseback transaction to which the Trust is a party or otherwise, (d) indebtedness of partnerships and joint ventures that is included in the consolidated financial statements of the Trust, (e) indebtedness, obligations and liabilities of others in respect of which the Trust is liable contingently or otherwise to pay or advance money or property or as guarantor, endorser or otherwise or which the Trust has agreed to purchase or otherwise acquire, and (f) any binding commitment of the Trust to fund any real estate investment or to fund any investment in any entity making such real estate investment, in each case other than (1) any such indebtedness, obligation or liability referred to in clauses (a) through (f) above as to which, in the instrument creating or evidencing the same pursuant to which the same is outstanding, it is provided that such indebtedness, obligation or liability is not superior in right of payment to the Subordinated Securities or ranks PARI PASSU with the Subordinated Securities, (2) any such indebtedness, obligation or liability which is subordinated to indebtedness of the Trust to substantially the same extent as or to a greater extent than the Subordinated Securities are subordinated, and (3) the Subordinated Securities (Section 101 of the Subordinated Indenture). At July 31, 1994, Senior Debt aggregated approximately \$378 million. There are no restrictions in the Subordinated Indenture upon the creation of additional Senior Debt. However, the Senior Indenture contains limitations on incurrence of indebtedness by the Trust. See " -- Certain Covenants -- SENIOR INDENTURE LIMITATIONS ON INCURRENCE OF DEBT."

DISCHARGE, DEFEASANCE AND COVENANT DEFEASANCE

Under each Indenture, the Trust may discharge certain obligations to Holders of any series of Debt Securities issued thereunder that have not already been delivered to the applicable Trustee for cancellation and that either have become due and payable or will become due and payable within one year (or scheduled for redemption within one year) by irrevocably depositing with the applicable Trustee, in trust, funds in such currency or currencies, currency unit or units or composite currency or currencies in which such Debt Securities are payable in an amount sufficient to pay the entire indebtedness on such Debt Securities in respect of principal (and premium or Make-Whole Amount, if any) and interest and any Additional Amounts payable to the date of such deposit (if such Debt Securities have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be (Section 401 of each Indenture).

Each Indenture provides that, if the provisions of Article Fourteen thereof are made applicable to the Debt Securities of or within any series pursuant to Section 301 of such Indenture, the Trust may elect either (a) to defease and be discharged from any and all obligations with respect to such Debt Securities (except for the obligation to pay Additional Amounts, if any, upon the occurrence of certain events of tax, assessment or governmental charge with respect to payments on such Debt Securities and the obligations to register the transfer or exchange of such Debt Securities, to replace temporary or mutilated, destroyed, lost or stolen Debt Securities, to maintain an

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office or agency in respect of such Debt Securities and to hold moneys for payment in trust) ("defeasance") (Section 1402 of each Indenture) or (b) to be released from its obligations with respect to such Debt Securities under provisions of each Indenture described under " -- Certain Covenants," or, if provided pursuant to Section 301 of each Indenture, its obligations with respect to any other covenant, and any omission to comply with such obligations shall not constitute a default or an Event or Default with respect to such Debt Securities ("covenant defeasance") (Section 1403 of each Indenture), in either case upon the irrevocable deposit by the Trust with the applicable Trustee, in trust, of an amount, in such currency or currencies, currency unit or currency units or composite currency or currencies in which such Debt Securities are payable at Stated Maturity, or Government Obligations (as defined below), or both, applicable to such Debt Securities which through the scheduled payment of

principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium or Make-Whole Amount, if any) and interest on such Debt Securities, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor.

Such a trust may only be established if, among other things, the Trust has delivered to the applicable Trustee an Opinion of Counsel (as specified in each Indenture) to the effect that the Holders of such Debt Securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such Opinion of Counsel, in the case of defeasance, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States federal income tax laws occurring after the date of such Indenture (Section 1404 of each Indenture).

"GOVERNMENT OBLIGATIONS" means securities which are (i) direct obligations of the United States of America or the government which issued the Foreign Currency in which the Debt Securities of a particular series are payable, for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America or the government which issued the Foreign Currency in which the Debt Securities of such series are payable, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or such other government, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depository receipt (Section 101 of each Indenture).

Unless otherwise provided in the applicable Prospectus Supplement, if after the Trust has deposited funds and/or Government Obligations to effect defeasance or covenant defeasance with respect to Debt Securities of any series, (a) the Holder of a Debt Security of such series is entitled to, and does, elect pursuant to Section 301 of either Indenture or the terms of such Debt Security to receive payment in a currency, currency unit or composite currency other than that in which such deposit has been made in respect of such Debt Security, or (b) a Conversion Event (as defined below) occurs in respect of the currency, currency unit or composite currency in which such deposit has been made, the indebtedness represented by such Debt Security shall be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of (and premium or Make-Whole Amount, if any) and interest on such Debt Security as they become due out of the proceeds yielded by converting the amount so deposited in respect of such Debt Security into the currency, currency unit or composite currency in which such Debt Security becomes payable as a result of such election or such cessation of usage based on the applicable market exchange rate (Section 1405 of each Indenture). "Conversion Event" means the cessation of use of (i) a currency, currency unit or composite currency (other than the ECU or other currency unit) both by the government of the country that issued such currency and for the settlement of transactions by a central bank or other public institutions of or within the international banking community, (ii) the ECU both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities or (iii) any currency unit or composite currency other than the ECU for the purposes for which it was established. Unless otherwise provided in the applicable Prospectus Supplement, all payments of principal of (and premium or Make-Whole Amount, if any) and interest on any Debt Security that is payable in a Foreign Currency that

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ceases to be used by its government of issuance shall be made in United States dollars (Section 101 of each Indenture).

In the event the Trust effects covenant defeasance with respect to any Debt Securities and such Debt Securities are declared due and payable because of the occurrence of any Event of Default other than the Event of Default described in clause (d) under " -- Events of Default, Notice and Waiver" with respect to

Sections 1004 to 1009, inclusive, of either Indenture (which Sections would no longer be applicable to such Debt Securities) or described in clause (g) under " -- Events of Default, Notice and Waiver" with respect to a covenant as to which there has been covenant defeasance, the amount in such currency, currency unit or composite currency in which such Debt Securities are payable, and Government Obligations on deposit with the Trustee, will be sufficient to pay amounts due on such Debt Securities at the time of their Stated Maturity but may not be sufficient to pay amounts due on such Debt Securities at the time of the acceleration resulting from such Event of Default. However, the Trust would remain liable to make payment of such amounts due at the time of acceleration.

The applicable Prospectus Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance, including any modifications to the provisions described above, with respect to the Debt Securities of or within a particular series.

CONVERSION RIGHTS

The terms and conditions, if any, upon which the Debt Securities are convertible into Capital Stock of the Trust will be set forth in the applicable Prospectus Supplement relating thereto. Such terms will include whether such Debt Securities are convertible into Capital Stock of the Trust, the conversion price (or manner of calculation thereof), the conversion period, provisions as to whether conversion will be at the option of the Holders or the Trust, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of the redemption of such Debt Securities.

BOOK-ENTRY SYSTEM

The Debt Securities of a series may be issued in whole or in part in the form of one or more global securities ("Global Securities") that will be deposited with, or on behalf of a depository (the "Depository") identified in the Prospectus Supplement relating to such series. Global Securities, if any, are expected to be deposited with The Depository Trust Company, as Depository. Global Securities may be issued in fully registered form and may be issued in either temporary or permanent form. Unless and until it is exchanged in whole or in part for the individual Debt Securities represented thereby, a Global Security may not be transferred except as a whole by the Depository for such Global Security to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any nominee of such Depository to a successor Depository or any nominee of such successor.

The specific terms of the depository arrangement with respect to a series of Debt Securities will be described in the Prospectus Supplement relating to such series. The Trust expects that unless otherwise indicated in the applicable Prospectus Supplement the following provisions will apply to depository arrangements.

Upon the issuance of a Global Security, the Depository for such Global Security or its nominee will credit on its book-entry registration and transfer system the respective principal amounts of the individual Debt Securities represented by such Global Security to the accounts of persons that have accounts with such Depository ("Participants"). Such accounts shall be designated by the underwriters, dealers or agents with respect to such Debt Securities or by the Trust if such Debt Securities are offered directly by the Trust. Ownership of beneficial interests in such Global Security will be limited to Participants or persons that may hold interests through Participants. Ownership of beneficial interests in such Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depository for such Global Security or its nominee (with respect to beneficial interests of Participants) and records of Participants (with respect to beneficial interests of persons who hold through Participants). The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and laws may impair the ability to own, pledge or transfer beneficial interest in a Global Security.

So long as the Depository for a Global Security or its nominee is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt

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Securities represented by such Global Security for all purposes under the applicable Indenture. Except as described below or in the applicable Prospectus Supplement, owners of beneficial interest in a Global Security will not be entitled to have any of the individual Debt Securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of any such Debt Securities in definitive form and will not be considered the owners or holders thereof under the applicable

will not be considered the owners or holders thereof under the applicable

Indenture.

Payments of principal of, any premium or Make-Whole Amount and any interest on, or any Additional Amounts payable with respect to, individual Debt Securities represented by a Global Security registered in the name of a Depository or its nominee will be made to the Depository or its nominee, as the case may be, as the registered owner of the Global Security. None of the Trust, the Trustee, any Paying Agent or the Security Registrar for such Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Security for such Debt Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Trust expects that the Depository for any Debt Securities or its nominee, upon receipt of any payment of principal, premium, Make-Whole Amount, interest or Additional Amounts in respect of the Global Security representing such Debt Securities will immediately credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security as shown on the records of such Depository or its nominee. The Trust also expects that payments by Participants to owners of beneficial interests in such Global Security held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the account of customers in bearer form or registered in street name. Such payments will be the responsibility of such Participants.

If a Depository for any Debt Securities is at any time unwilling, unable or ineligible to continue as depository and a successor depository is not appointed by the Trust within 90 days, the Trust will issue individual Debt Securities in exchange for the Global Security representing such Debt Securities. In addition, the Trust may at any time and in its sole discretion, subject to any limitations described in the Prospectus Supplement relating to such Debt Securities, determine not to have any of such Debt Securities represented by one or more Global Securities and in such event will issue individual Debt Securities in exchange for the Global Security or Securities representing such Debt Securities. Individual Debt Securities so issued will be issued in denominations of \$1,000 and integral multiples thereof.

TRUSTEES

NationsBank of Virginia, N.A., and Crestar Bank have lending relationships with the Trust.

DESCRIPTION OF CAPITAL STOCK

GENERAL

The Trust is authorized to issue 100,000,000 shares of Common Stock, \$1 par value, and 25,000,000 shares of Preferred Stock, no par value. At August 3, 1994, there were 50,210,440 shares of Common Stock outstanding and no shares of Preferred Stock outstanding.

The following statements with respect to the capital stock of the Trust are subject to the detailed provisions of the Trust's Restated Articles of Incorporation, as amended (the "Articles"), and bylaws (the "Bylaws") as currently in effect. These statements do not purport to be complete, or to give full effect to the terms of the provisions of statutory or common law, and are subject to, and are qualified in their entirety by reference to, the terms of the Articles and Bylaws, which are filed as exhibits to the Registration Statement.

COMMON STOCK

Holders of Common Stock are entitled to receive dividends when and as declared by the Board of Directors after payment of, or provision for, full cumulative dividends on and any required redemptions of shares of Preferred Stock then outstanding. Holders of Common Stock have one vote per share and non-cumulative voting rights, which means that holders of more than 50% of the shares voting can elect all of the directors if they choose to do so, and, in such event, the holders of the remaining shares will not be able to elect any directors. In the event of any voluntary or involuntary liquidation or dissolution of the Trust, holders of Common Stock are entitled to share

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ratably in the distributable assets of the Trust remaining after satisfaction of the prior preferential rights of the Preferred Stock and the satisfaction of all debts and liabilities of the Trust. Holders of Common Stock do not have preemptive rights.

The Transfer Agent for the Common Stock is Mellon Securities Trust Company, Pittsburgh, Pennsylvania. The Common Stock is traded on the New York Stock Exchange under the symbol "UDR."

PREFERRED STOCK

The following description of the terms of the Preferred Stock sets forth certain general terms and provisions of the Preferred Stock to which a Prospectus Supplement may relate. Specific terms of any series of Preferred Stock offered by a Prospectus Supplement will be described in that Prospectus Supplement. The description set forth below is subject to and qualified in its entirety by reference to the Articles of Amendment to the Articles fixing the preferences, limitations and relative rights of a particular series of Preferred Stock.

GENERAL. Under the Articles, the Board of Directors of the Trust is authorized, without further shareholder action, to provide for the issuance of up to 25,000,000 shares of Preferred Stock, in one or more series, with such voting powers and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions, as the Board of Directors shall approve.

The Preferred Stock will have the dividend, liquidation, redemption, conversion and voting rights set forth below unless otherwise provided in the Prospectus Supplement relating to a particular series of Preferred Stock. Reference is made to the Prospectus Supplement relating to the particular series of Preferred Stock offered thereby for specific terms, including: (i) the title and liquidation preference per share of such Preferred Stock and the number of shares offered; (ii) the price at which such series will be issued; (iii) the dividend rate (or method of calculation), the dates on which dividends shall be payable and the dates from which dividends shall commence to accumulate; (iv) any redemption or sinking fund provisions of such series; (v) any conversion provisions of such series; and (vi) any additional dividend, liquidation, redemption, sinking fund and other rights, preferences, privileges, limitations and restrictions of such series.

The Preferred Stock will, when issued, be fully paid and nonassessable. Unless otherwise specified in the Prospectus Supplement relating to a particular series of Preferred Stock, each series will rank on a parity as to dividends and distributions in the event of a liquidation with each other series of Preferred Stock and, in all cases, will be senior to the Common Stock.

DIVIDEND RIGHTS. Holders of Preferred Stock of each series will be entitled to receive, when, as and if declared by the Board of Directors, out of assets of the Trust legally available therefor, cash dividends at such rates and on such dates as are set forth in the Prospectus Supplement relating to such series of Preferred Stock. Such rate may be fixed or variable or both and may be cumulative, noncumulative or partially cumulative.

If the applicable Prospectus Supplement so provides, as long as any shares of Preferred Stock are outstanding, no dividends will be declared or paid or any distributions be made on the Common Stock, other than a dividend payable in Common Stock, unless the accrued dividends on each series of Preferred Stock have been fully paid or declared and set apart for payment and the Trust shall have set apart all amounts, if any, required to be set apart for all sinking funds, if any, for each series of Preferred Stock.

If the applicable Prospectus Supplement so provides, when dividends are not paid in full upon any series of Preferred Stock and any other series of Preferred Stock ranking on a parity as to dividends with such series of Preferred Stock, all dividends declared upon such series of Preferred Stock and any other series of Preferred Stock ranking on a parity as to dividends will be declared pro rata so that the amount of dividends declared per share on such series of Preferred Stock and such other series will in all cases bear to each other the same ratio that accrued dividends per share on such series of Preferred Stock and such other series bear to each other.

Each series of Preferred Stock will be entitled to dividends as described in the Prospectus Supplement relating to such series, which may be based upon one or more methods of determination. Different series of Preferred Stock may be entitled to dividends at different dividend rates or based upon different methods of determination. Except as provided in the applicable Prospectus Supplement, no series of Preferred Stock will be entitled to participate in the earnings or assets of the Trust.

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RIGHTS UPON LIQUIDATION. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Trust, the holders of each series of Preferred Stock will be entitled to receive out of the assets of the Trust available for distribution to shareholders the amount stated or determined on the basis set forth in the Prospectus Supplement relating to such series, which may include accrued dividends, if such liquidation, dissolution or winding up is

involuntary or may equal the current redemption price per share (otherwise than for the sinking fund, if any, provided for such series) provided for such series set forth in such Prospectus Supplement, if such liquidation, dissolution or winding up is voluntary, and on such preferential basis as is set forth in such Prospectus Supplement. If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Trust, the amounts payable with respect to Preferred Stock of any series and any other shares of stock of the Trust ranking as to any such distribution on a parity with such series of Preferred Stock are not paid in full, the holders of Preferred Stock of such series and of such other shares will share ratably in any such distribution of assets of the Trust in proportion to the full respective preferential amounts to which they are entitled or on such other basis as is set forth in the applicable Prospectus Supplement. The rights, if any, of the holders of any series of Preferred Stock to participate in the assets of the Trust remaining after the holders of other series of Preferred Stock have been paid their respective specified liquidation preferences upon any liquidation, dissolution or winding up of the Trust will be described in the Prospectus Supplement relating to such series.

REDEMPTION. A series of Preferred Stock may be redeemable, in whole or in part, at the option of the Trust, and may be subject to mandatory redemption pursuant to a sinking fund, in each case upon terms, at the times, the redemption prices and for the types of consideration set forth in the Prospectus Supplement relating to such series. The Prospectus Supplement relating to a series of Preferred Stock which is subject to mandatory redemption shall specify the number of shares of such series that shall be redeemed by the Trust in each year commencing after a date to be specified, at a redemption price per share to be specified, together with an amount equal to any accrued and unpaid dividends thereon to the date of redemption.

If, after giving notice of redemption to the holders of a series of Preferred Stock, the Trust deposits with a designated bank funds sufficient to redeem such Preferred Stock, then from and after such deposit, all shares called for redemption will no longer be outstanding for any purpose, other than the right to receive the redemption price and the right to convert such shares into other classes of capital stock of the Trust. The redemption price will be stated in the Prospectus Supplement relating to a particular series of Preferred Stock.

Except as indicated in the applicable Prospectus Supplement, the Preferred Stock is not subject to any mandatory redemption at the option of the holder.

SINKING FUND. The Prospectus Supplement for any series of Preferred Stock will state the terms, if any, of a sinking fund for the purchase or redemption of that series.

CONVERSION RIGHTS. The Prospectus Supplement for any series of Preferred Stock will state the terms, if any, on which shares of that series are convertible into shares of Common Stock or another series of Preferred Stock. The Preferred Stock will have no preemptive rights.

VOTING RIGHTS. Except as indicated in the Prospectus Supplement relating to a particular series of Preferred Stock, or except as expressly required by Virginia law, a holder of Preferred Stock will not be entitled to vote. Except as indicated in the Prospectus Supplement relating to a particular series of Preferred Stock, in the event the Trust issues full shares of any series of Preferred Stock, each such share will be entitled to one vote on matters on which holders of such series of Preferred Stock are entitled to vote.

Under Virginia law, the affirmative vote of the holders of a majority of the outstanding shares of all series of Preferred Stock, voting as a separate voting group, will be required for (i) the authorization of any class of stock ranking prior to or on parity with Preferred Stock or the increase in the number of authorized shares of any such stock, (ii) any increase in the number of authorized shares of Preferred Stock and (iii) certain amendments to the Articles that may be adverse to the rights of Preferred Stock outstanding.

TRANSFER AGENT AND REGISTRAR. The transfer agent, registrar and dividend disbursement agent for a series of Preferred Stock will be selected by the Trust and be described in the applicable Prospectus Supplement. The registrar for shares of Preferred Stock will send notices to shareholders of any meetings at which holders of Preferred Stock have the right to vote on any matter.

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DIVIDEND RESTRICTIONS

Covenants in its loan agreements with certain lenders restrict the payment of distributions in excess of the sum of (i) current "cash flow," (ii) varying additional amounts and (iii) the proceeds of Common Stock offerings subsequent to various dates, all as defined in the particular loan agreement. The covenants do not prohibit the Trust from paying distributions in order to continue its

qualification as a REIT under the Code.

AFFILIATED TRANSACTIONS

The Virginia Stock Corporation Act contains provisions governing "Affiliated Transactions" designed to deter uninvited takeovers of Virginia corporations. These provisions, with several exceptions discussed below, require approval of material acquisition transactions between a Virginia corporation and any holder of more than 10% of any class of its outstanding voting shares (an "Interested Shareholder") by the holders of at least two-thirds of the remaining voting shares. For three years following the time that the Interested Shareholder becomes an owner of 10% of the outstanding voting shares, Virginia corporations cannot engage in an Affiliated Transaction with such Interested Shareholder without approval of two-thirds of the voting shares other than those shares beneficially owned by the Interested Shareholder, and majority approval of the "Disinterested Directors." At the expiration of the three year period, the statute requires approval of Affiliated Transactions by two-thirds of the voting shares other than those beneficially owned by the Interested Shareholder absent an exception. The principal exceptions to the special voting requirement apply to transactions proposed after the three year period has expired and require either that the transaction be approved by a majority of the corporation's Disinterested Directors or that the transaction satisfy the fair-price requirements of the law.

The Virginia Stock Corporation Act also provides that shares acquired in a transaction that would cause the acquiring person's voting strength to cross any of three thresholds (20%, 33%, or 50%) have no voting rights unless granted by a majority vote of shares not owned by the acquiring person or any officer or employee-director of the Trust. An acquiring person may require the Trust to hold a special meeting of shareholders to consider the matter within 50 days of its request.

REDEMPTION AND RESTRICTIONS ON TRANSFER

In order to preserve the Trust's status as a REIT as defined in the Code, the Trust can redeem or stop the transfer of its shares. The Articles provide that the Trust is organized to qualify as a REIT. Because the Code provides that the concentration of more than 50% in value of the direct or indirect ownership of its shares in five or fewer individual shareholders during the last six months of any year would result in the disqualification of the Trust as a REIT, the Articles provide that the Trust shall have the power (i) to redeem that number of concentrated shares sufficient in the opinion of the Board of Directors of the Trust to maintain or bring the direct or indirect ownership of shares into conformity with the requirements of the Code, and (ii) to stop the transfer of shares to any person whose acquisition thereof would, in the opinion of the Trust's Board of Directors, result in such disqualification. The per share redemption price of any shares redeemed by the Trust pursuant to this provision shall be the last reported sale price for the shares as of the business day preceding the day on which notice of redemption is given. The Board of Directors of the Trust can require shareholders to disclose in writing to the Trust such information with respect to ownership of its shares as it deems necessary to comply with the REIT provisions of the Code.

REIT QUALIFICATION

The Trust operates in a manner intended to qualify for treatment as a REIT under the Code. In general, a REIT which distributes to its shareholders at least 95% of its taxable income (other than net capital gain) for a taxable year and which meets certain other conditions will not be subject to federal income taxation on income (including net capital gain) distributed for that year. If the Trust fails to qualify in any taxable year, it will be taxed for federal income tax purposes as a corporation for that year and distributions to shareholders will not be deductible by the Trust in computing its taxable income. Under such circumstances, the Trust also will be disqualified from being treated as a REIT under the Code for the ensuing four fiscal years. Failure to qualify could result in the Trust's incurring indebtedness and perhaps liquidating investments in order to pay the resultant taxes.

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PLAN OF DISTRIBUTION

The Trust may sell Offered Securities to or through underwriters or may sell Offered Securities to investors directly or through designated agents. Any such underwriter or agent involved in the offer and sale of the Offered Securities will be named in the applicable Prospectus Supplement.

Underwriters may offer and sell the Offered Securities at a fixed price or prices, which may be changed, or from time to time at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at

negotiated prices. The Trust also may, from time to time, authorize underwriters acting as agents to offer and sell the Offered Securities upon the terms and conditions set forth in any Prospectus Supplement. In connection with the sale of Offered Securities, underwriters may be deemed to have received compensation from the Trust in the form of underwriting discounts or commissions and may also receive commissions from purchasers of Offered Securities for whom they may act as agent. Underwriters may sell Offered Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions (which may be changed from time to time) from the underwriters and/or from the purchasers for whom they may act as agent.

Any underwriting compensation paid by the Trust to underwriters or agents in connection with the offering of Offered Securities and any discounts, concessions or commissions allowed by underwriters to participating dealers will be set forth in the applicable Prospectus Supplement. Underwriters, dealers and agents participating in the distribution of the Offered Securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the Offered Securities may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters, dealers and agents may be entitled, under agreements entered into with the Trust, to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act.

If so indicated in the applicable Prospectus Supplement, the Trust will authorize dealers acting as the Trust's agents to solicit offers by certain institutions to purchase Offered Securities from the Trust at the public offering price set forth in such Prospectus Supplement pursuant to Delayed Delivery Contracts ("Contracts") providing for payment and delivery on the date or dates stated in such Prospectus Supplement. Each Contract will be for an amount not less than, and the principal amount of Offered Securities sold pursuant to Contracts shall not be less nor more than, the respective amounts stated in such Prospectus Supplement. Institutions with which Contracts, when authorized, may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and other institutions, but will in all cases be subject to the approval of the Trust. Contracts will not be subject to any conditions except (i) the purchase by an institution of the Offered Securities covered by its Contract shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject and (ii) the Trust shall have sold to such underwriters the total principal amount of the Offered Securities less the principal amount thereof covered by Contracts. A commission indicated in the Prospectus Supplement will be paid to agents and underwriters soliciting purchases of Offered Securities pursuant to Contracts accepted by the Trust. Agents and underwriters shall have no responsibility in respect of the delivery or performance of Contracts.

Certain of the underwriters and their affiliates may be customers of, engage in transactions with, and perform services for, the Trust in the ordinary course of business.

LEGAL OPINIONS

The validity of the Offered Securities will be passed upon for the Trust by Hunton & Williams, Richmond, Virginia. Brown & Wood, New York, New York will act as counsel to any underwriters, dealers or agents.

EXPERTS

The financial statements of the Trust incorporated by reference in its annual report on Form 10-K for the year ended December 31, 1993 have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

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The combined historical summary of gross income and direct operating expenses of Holly Tree Park Apartments, Knolls at Newgate and Mallard Green Apartments, included in the Trust's Current Report on Form 8-K, dated May 26, 1994, incorporated by reference in this Prospectus has been audited by BDO Seidman, independent certified public accountants, to the extent and for the periods set forth in their report incorporated herein by reference, and are incorporated herein in reliance upon such report given upon the authority of said firm as experts in auditing and accounting. The combined statement of rental operations of Clover Financial Partnership Properties, included in the Trust's Current Report on Form 8-K, dated May 26, 1994, incorporated by reference herein, has been incorporated herein in reliance upon the report dated May 19, 1994, of Alloy Silverstein Shapiro Adams Mulford & Co., independent

May 19, 1994, of Alloy, Silverstein, Shapiro, Adams, Mulford & Co., independent auditors, also incorporated by reference herein, and upon the authority of such firm as experts in accounting and auditing. The statement of rental operations of The Shire Apartments, included in the Trust's Current Report on Form 8-K, dated April 15, 1994, incorporated by reference herein, has been incorporated herein in reliance upon the report dated May 12, 1994, of L. P. Martin & Company, P.C., independent auditors, also incorporated by reference herein, and upon the authority of such firm as experts in accounting and auditing. The statement of rental operations of Lakewood Place Apartments, included in the Trust's Current Report on Form 8-K, dated April 15, 1994, incorporated by reference herein, has been incorporated herein in reliance upon the report dated May 13, 1994, of L. P. Martin & Company, P.C., independent auditors, also incorporated by reference herein, and upon the authority of such firm as experts in accounting and auditing. The statements of rental operations of River Place Apartments and Lakeside North Apartments, included in the Trust's Current Report on Form 8-K, dated April 15, 1994, incorporated by reference herein, have been incorporated herein in reliance upon the reports dated May 24, 1994, of L. P. Martin & Company, P.C., independent auditors, also incorporated by reference herein, and upon the authority of such firm as experts in accounting and auditing. The statement of rental operations of Walnut Creek Apartments, included in the Trust's Current Report on Form 8-K, dated May 17, 1994, incorporated by reference herein, has been incorporated herein in reliance upon the report dated June 24, 1994, of L. P. Martin & Company, P.C., independent auditors, also incorporated by reference herein, and upon the authority of such firm as experts in accounting and auditing.

20

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES DESCRIBED IN THIS PROSPECTUS SUPPLEMENT OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE TRUST SINCE THE DATE HEREOF OR THEREOF OR THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF SUCH INFORMATION.

TABLE OF CONTENTS
PROSPECTUS SUPPLEMENT

	PAGE
The Trust.....	S-2
Recent Developments.....	S-2
Use of Proceeds.....	S-3
Capitalization.....	S-3
Selected Financial Data.....	S-4
Management's Discussion and Analysis of Financial Condition and Operations.....	S-6
Business.....	S-8
Description of Debentures.....	S-9
Underwriting.....	S-12

PROSPECTUS

Available Information.....	2
Incorporation of Certain Documents by Reference.....	2
The Trust.....	3
Use of Proceeds.....	3
Certain Ratios.....	3
Description of Debt Securities.....	4
Description of Capital Stock.....	15

Plan of Distribution.....	19
Legal Opinions.....	19
Experts.....	19

\$150,000,000

UNITED DOMINION LOGO

8 1/2% DEBENTURES DUE
SEPTEMBER 15, 2024

PROSPECTUS SUPPLEMENT

GOLDMAN, SACHS & CO.
MERRILL LYNCH & CO.
NATIONSBANC CAPITAL MARKETS, INC.

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