

UMH PROPERTIES, INC.  
Form 8-K/A  
October 11, 2012

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM 8-K/A**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 2, 2012**

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**UMH Properties, Inc.**

(Exact name of registrant as specified in its charter)

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|   |                             |                                      |
|---|-----------------------------|--------------------------------------|
| <b>Maryland</b>                                   | <b>001-12690</b>            | <b>22-1890929</b>                    |
| (State or other jurisdiction<br>of incorporation) | (Commission<br>File Number) | (IRS Employer<br>Identification No.) |

**Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, NJ 07728**

(Address of principal executive offices)

(Zip Code)

**Registrant's telephone number, including area code: (732) 577-9997**

**Not Applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

This Form 8-K/A amends our Form 8-K filed on August 6, 2012 to provide additional financial information in connection with the acquisition of the eleven manufactured home communities, ten in Pennsylvania and one in New York, from ARCPA Properties LLC and ARCML06 LLC, both unrelated entities of the Company. The communities are Carsons, Chambersburg I & II, Chelsea, Collingwood, Crestview, Frieden Manor, Green Acres, Monroe Valley, Mountaintop, Valley View Ephrata I and Valley View Ephrata II (collectively referred to as the Properties ). The following financial statements are filed as part of this report:

**UMH PROPERTIES, INC.**

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Independent Auditors Report

To the Board of Directors and Shareholders

UMH Properties, Inc.

We have audited the accompanying Combined Statement of Revenue and Community Operating Expenses of the Properties known as Carsons, Chambersburg I & II, Chelsea, Collingwood, Crestview, Frieden Manor, Green Acres, Monroe Valley, Mountaintop, Valley View Ephrata I and Valley View Ephrata II ( the Properties ) for the year ended December 31, 2011 (the Historical Summary ). This Historical Summary is the responsibility of the Property s management. Our responsibility is to express an opinion on this Historical Summary based on our audit.

We conducted our audit in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Historical Summary. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Historical Summary presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Historical Summary was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission as described in note 2 and is not intended to be a complete presentation of the Properties revenues and expenses.

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the Revenue and Community Operating Expenses of the Properties for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

/s/ PKF O Connor Davies,

A Division of O Connor Davies, LLP

New York, New York

October 10, 2012

**Carsons, Chambersburg I & II, Chelsea, Collingwood, Crestview, Frieden Manor, Green Acres, Monroe Valley, Mountaintop, Valley View Ephrata I and Valley View Ephrata II**

**Combined Statement of Revenue and Community Operating Expenses**

|  | <b>For the Six Months<br/>Ended<br/><u>June 30, 2012</u><br/>(Unaudited)</b> | <b>For the Year<br/>Ended<br/><u>December 31, 2011</u></b> |
|--|--|--|
| Revenue:   |  |  |
| Rental and Related Income                              | \$ 2,130,000   | \$ 4,004,000   |
| Community Operating Expenses:                          |  |  |
| Real Estate Taxes                                      | 147,000  | 268,000  |
| Utilities  | 428,000  | 850,000  |
| Salaries and Benefits                                  | 197,000  | 425,000  |
| Other  | 143,000  | 368,000  |
|  | 915,000  | 1,911,000  |
| Excess of Revenue Over Community<br>Operating Expenses | \$ 1,215,000   | \$ 2,093,000   |

See Accompanying Notes to the Combined  
Statement of Revenue and Community Operating Expenses



**Carsons, Chambersburg I & II, Chelsea, Collingwood, Crestview, Frieden Manor, Green Acres, Monroe Valley, Mountaintop, Valley View Ephrata I and Valley View Ephrata II**

**Notes to Combined Statement of Revenue and Community Operating Expenses**

**NOTE 1 BUSINESS AND ORGANIZATION**

On August 1, 2012, UMH Properties, Inc. (the Company) completed the acquisition of eleven manufactured home communities, ten in Pennsylvania and one in New York, from ARCPA Properties LLC and ARCML06 LLC, both unrelated entities of the Company. The communities acquired are as follows: Carsons, Chambersburg I & II, Chelsea, Collingwood, Crestview, Frieden Manor, Green Acres, Monroe Valley, Mountaintop, Valley View Ephrata I and Valley View Ephrata II (collectively referred to as the Properties). The following is a brief overview of the Properties that the Company acquired:

| <b>Community</b>       | <b>Location</b>  | <b>Number<br/>of Sites</b> | <b>Occupancy</b> |
|------------------------|------------------|----------------------------|------------------|
| Carsons                | Chambersburg, PA | 132                        | 83%              |
| Chambersburg I & II    | Chambersburg, PA | 98                         | 96%              |
| Chelsea                | Sayre, PA        | 86                         | 98%              |
| Collingwood            | Horseheads, NY   | 103                        | 76%              |
| Crestview              | Sayre, PA        | 100                        | 95%              |
| Frieden Manor          | Schuylkill, PA   | 194                        | 97%              |
| Green Acres            | Chambersburg, PA | 24                         | 100%             |
| Monroe Valley          | Jonestown, PA    | 44                         | 93%              |
| Mountaintop            | Narvon, PA       | 39                         | 92%              |
| Valley View Ephrata I  | Ephrata, PA      | 105                        | 95%              |
| Valley View Ephrata II | Ephrata, PA      | 43                         | 100%             |

These eleven all-age communities total 968 sites situated on approximately 200 acres. The average occupancy for these communities is approximately 92%.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The Combined Statement of Revenue and Community Operating Expenses ( Historical Summary ) has been prepared for the purpose of complying with the provisions of Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission ( SEC ), which requires certain information with respect to real estate operations to be included with certain filings with the SEC. The Historical Summary includes the historical revenues and community

operating expenses of the Properties, exclusive of interest income, interest expense, depreciation and amortization, and other expenses, which may not be comparable to the corresponding amounts reflected in the future operations of the Properties.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Investment Property and Equipment and Depreciation

Property and equipment are carried at cost. Maintenance and Repairs are charged to income as incurred and improvements are capitalized.

#### Revenue Recognition

Income is derived primarily from the rental of manufactured home sites. The Company also owns approximately 60 rental units which are rented to residents. Rental and related income is recognized on the accrual basis.

#### **Item 9.01 (b)**

##### **Pro Forma Financial Information (Unaudited)**

The following pro forma information reflects the acquisition of Carsons, Chambersburg I & II, Chelsea, Collingwood, Crestview, Frieden Manor, Green Acres, Monroe Valley, Mountaintop, Valley View Ephrata I and Valley View Ephrata II (collectively referred to as the Properties) by UMH Properties, Inc. (the Company).

The Pro Forma Consolidated Balance Sheet as of June 30, 2012 and the Pro Forma Consolidated Statement of Income for the year ended December 31, 2011 and the six months ended June 30, 2012 have been prepared to reflect the acquisition and the adjustments described in the accompanying notes. The historical financial statements of the

Properties are for the year ended December 31, 2011 and the six months ended June 30, 2012. The pro forma financial information is based on the historical financial statements of the Company and should be read in conjunction with the notes and management's assumptions thereto. The pro forma consolidated balance sheet was prepared as if the acquisition occurred on June 30, 2012. The pro forma consolidated statement of income for the year ended December 31, 2011 was prepared assuming the acquisition occurred on January 1, 2011. The pro forma consolidated statement of income for the six months ended June 30, 2012 was prepared assuming the acquisition occurred on January 1, 2012. The pro forma financial information is unaudited and not necessarily indicative of the actual financial position of the Company as of June 30, 2012 or what the actual results would have been assuming the acquisition had been consummated at the beginning of the periods presented, nor does it purport to represent the future financial position and results of operations for future periods.

## UMH PROPERTIES, INC.

## PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2012

(Unaudited)

| -ASSETS-                                 | Company<br>Historical (a) | Acquisition of<br>the<br>Properties | Company<br>Pro Forma |
|--|---------------------------|-------------------------------------|----------------------|
| <b>INVESTMENT PROPERTY AND EQUIPMENT</b> |                           |                                     |                      |
| Land                                     | \$18,043,214              | \$2,000,000(b)                      | \$20,043,214         |
| Site and Land Improvements               | 144,744,435               | 24,389,000(b)                       | 169,133,435          |
| Buildings and Improvements               | 5,593,797                 | 650,000(b)                          | 6,243,797            |
| Rental Homes and Accessories             | 30,404,837                | 1,044,000(b)                        | 31,448,837           |
| Total Investment Property                | 198,786,283               | 28,083,000                          | 226,869,283          |
| Equipment and Vehicles                   | 8,836,775                 | 167,000(b)                          | 9,003,775            |
| Total Investment Property and Equipment  | 207,623,058               | 28,250,000                          | 235,873,058          |
| Accumulated Depreciation                 | (69,411,779)              | -0-                                 | (69,411,779)         |
| Net Investment Property and Equipment    | 138,211,279               | 28,250,000                          | 166,461,279          |
| <b>OTHER ASSETS</b>                      |                           |                                     |                      |
| Cash and Cash Equivalents                | 20,925,489                | (8,234,000)(b) (c)                  | 12,691,489           |
| Securities Available for Sale            | 55,271,574                | -0-                                 | 55,271,574           |
| Inventory of Manufactured Homes          | 11,910,126                | -0-                                 | 11,910,126           |
| Notes and Other Receivables, net         | 21,110,507                | -0-                                 | 21,110,507           |
| Unamortized Financing Costs              | 1,448,253                 | 164,000(c)                          | 1,612,253            |
| Prepaid Expenses and Other Assets        | 1,218,232                 | -0-                                 | 1,218,232            |
| Land Development Costs                   | 5,027,284                 | -0-                                 | 5,027,284            |
| Total Other Assets                       | 116,911,465               | (8,070,000)                         | 108,841,465          |
| <b>TOTAL ASSETS</b>                      | <b>\$255,122,744</b>      | <b>\$20,180,000</b>                 | <b>\$275,302,744</b> |

See Accompanying Notes to Unaudited Pro Forma Financial Information

## UMH PROPERTIES, INC.

## PRO FORMA CONSOLIDATED BALANCE SHEET (CONT D)

AS OF JUNE 30, 2012

(Unaudited)

|   | Company<br>Historical (a) | Acquisition of<br>the<br>Properties | Company<br>Pro Forma |
|---|---------------------------|-------------------------------------|----------------------|
| <b>-LIABILITIES AND SHAREHOLDERS<br/>EQUITY-</b>    |                           |                                     |                      |
| <b>LIABILITIES:</b>                                 |                           |                                     |                      |
| MORTGAGES PAYABLE                                   | \$95,699,534              | \$13,980,000(b)                     | \$109,679,534        |
| OTHER LIABILITIES                                   |                           |                                     |                      |
| Accounts Payable                                    | 1,390,274                 | -0-                                 | 1,390,274            |
| Loans Payable                                       | 8,981,160                 | 6,200,000(b)                        | 15,181,160           |
| Accrued Liabilities and Deposits                    | 2,671,939                 | -0-                                 | 2,671,939            |
| Tenant Security Deposits                            | 988,403                   | -0-                                 | 988,403              |
| Total Other Liabilities                             | 14,031,776                | 6,200,000                           | 20,231,776           |
| Total Liabilities                                   | 109,731,310               | 20,180,000                          | 129,911,310          |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                           |                                     |                      |
| <b>SHAREHOLDERS EQUITY:</b>                         |                           |                                     |                      |
| Series A 8.25% Cumulative Redeemable Preferred      |                           |                                     |                      |
| Stock, \$60,345,000 liquidation value, 2,488,800    |                           |                                     |                      |
| shares authorized, 2,413,800 shares issued and      |                           |                                     |                      |
| outstanding as of June 30, 2012                     | 60,345,000                | -0-                                 | 60,345,000           |
| Common Stock \$.10 par value per share, 35,000,000  |                           |                                     |                      |
| shares authorized, 16,261,015 shares                |                           |                                     |                      |
| issued and outstanding as of June 30, 2012          | 1,626,102                 | -0-                                 | 1,626,102            |
| Excess Stock - \$.10 par value per share, 3,000,000 |                           |                                     |                      |
| shares authorized; no shares issued or outstanding  | -0-                       | -0-                                 | -0-                  |
| Additional Paid-In Capital                          | 78,007,273                | -0-                                 | 78,007,273           |
| Accumulated Other Comprehensive Income              | 9,645,827                 | -0-                                 | 9,645,827            |
| Accumulated Deficit                                 | (4,232,768)               | -0-                                 | (4,232,768)          |
| Total Shareholders Equity                           | 145,391,434               | -0-                                 | 145,391,434          |
| <b>TOTAL LIABILITIES AND</b>                        | <b>\$ 255,122,744</b>     | <b>\$20,180,000</b>                 | <b>\$275,302,744</b> |

**SHAREHOLDERS EQUITY**

See Accompanying Notes to Unaudited Pro Forma Financial Information



**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

ADJUSTMENTS TO PRO FORMA CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2012:

(a)

Derived from the Company's unaudited financial statements as of June 30, 2012.

(b)

Reflects the pro forma acquisition of the Properties valued at \$28,250,000, with allocations among land, site and land improvements, buildings and improvements, rental homes and accessories, and equipment and vehicles. The Company obtained a \$13,980,000 mortgage, borrowed \$6,200,000 on its margin line, and paid the remaining amount in cash. The Company intends to account for this acquisition in accordance with Accounting Standards Codification (ASC) Section 805, Business Combinations. Accordingly, the purchase price allocation is preliminary and may be subject to change. The Company will include the accounts of the Properties in its consolidated financial statements.

(c)

Reflects the costs incurred in connection with obtaining the mortgage on this acquisition. These costs were paid in cash.

## UMH PROPERTIES, INC.

## PRO FORMA CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2011

(Unaudited)

|  | Company<br>Historical | (a) | Acquisition of<br>the Properties | (b) | Pro Forma<br>Adjustments | Company<br>Pro Forma |
|--|-----------------------|-----|----------------------------------|-----|--------------------------|----------------------|
| <b>INCOME:</b>   |                       |     |                                  |     |                          |                      |
| Rental and Related Income  | \$32,990,219          |     | \$4,004,000                      |     | \$ -0-                   | \$36,994,219         |
| Sales of Manufactured Homes                                      | 6,323,135             |     | -0-                              |     | -0-                      | 6,323,135            |
| Total Income   | 39,313,354            |     | 4,004,000                        |     | -0-                      | 43,317,354           |
| <b>EXPENSES:</b>   |                       |     |                                  |     |                          |                      |
| Community Operating Expenses                                     | 17,758,332            |     | 1,911,000                        |     | -0-                      | 19,669,332           |
| Cost of Sales of Manufactured Homes                              | 5,747,963             |     | -0-                              |     | -0-                      | 5,747,963            |
| Selling Expenses   | 2,104,077             |     | -0-                              |     | -0-                      | 2,104,077            |
| General and Administrative Expenses                              | 3,979,866             |     | -0-                              |     | -0-                      | 3,979,866            |
| Loss Relating to Flood   | 984,701               |     | -0-                              |     | -0-                      | 984,701              |
| Acquisition Costs  | 260,463               |     | -0-                              |     | 553,000(e)               | 813,463              |
| Depreciation Expense   | 5,962,338             |     | -0-                              |     | 982,000(c)               | 6,944,338            |
| Amortization of Financing Costs                                  | 376,918               |     | -0-                              |     | 33,000(f)                | 409,918              |
| Total Expenses   | 37,174,658            |     | 1,911,000                        |     | 1,568,000                | 40,653,658           |
| <b>OTHER INCOME (EXPENSE):</b>                                   |                       |     |                                  |     |                          |                      |
| Interest and Dividend Income                                     | 4,503,237             |     | -0-                              |     | -0-                      | 4,503,237            |
| Gain on Securities Transactions, net                             | 2,692,649             |     | -0-                              |     | -0-                      | 2,692,649            |
| Other Income   | 77,375                |     | -0-                              |     | -0-                      | 77,375               |
| Interest Expense   | (5,744,567)           |     | -0-                              |     | (578,000)(d)             | (6,322,567)          |
| Total Other Income (Expense)                                     | 1,528,694             |     | -0-                              |     | (578,000)                | 950,694              |
| Income before Gain on Sales of Investment Property and Equipment | 3,667,390             |     | 2,093,000                        |     | (2,146,000)              | 3,614,390            |
| Gain on Sales of Investment Property and Equipment               | 28,873                |     | -0-                              |     | -0-                      | 28,873               |
| <b>Net Income</b>  | 3,696,263             |     | 2,093,000                        |     | (2,146,000)              | 3,643,263            |
| Less: Preferred Dividend   | 1,656,766             |     | -0-                              |     | -0-                      | 1,656,766            |
| <b>Net Income Attributable to Common Shareholders</b>            | \$2,039,497           |     | \$2,093,000                      |     | (\$2,146,000)            | \$1,986,497          |

See Accompanying Notes to Unaudited Pro Forma Financial Information

## UMH PROPERTIES, INC.

## PRO FORMA CONSOLIDATED STATEMENT OF INCOME - CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2011

(Unaudited)

|   | <b>Company<br/>Historical</b> | (a) | <b>Acquisition of<br/>the Properties</b> | (b) | <b>Pro Forma<br/>Adjustments</b> | <b>Company<br/>Pro Forma</b> |
|---|-------------------------------|-----|--|-----|----------------------------------|------------------------------|
| <b>Basic Income Per Share:</b>                  |                               |     |  |     |                                  |                              |
| Net Income                                      | \$0.25                        |     |  |     |                                  | \$0.25                       |
| Less: Preferred Dividend                        | (0.11)                        |     |  |     |                                  | (0.11)                       |
| Net Income Attributable to Common               |                               |     |  |     |                                  |                              |
| Shareholders                                    | \$0.14                        |     |  |     |                                  | \$0.14                       |
| <b>Diluted Income Per Share:</b>                |                               |     |  |     |                                  |                              |
| Net Income                                      | \$0.25                        |     |  |     |                                  | \$0.25                       |
| Less: Preferred Dividend                        | (0.11)                        |     |  |     |                                  | (0.11)                       |
| Net Income Attributable to Common               |                               |     |  |     |                                  |                              |
| Shareholders                                    | \$0.14                        |     |  |     |                                  | \$0.14                       |
| <b>Weighted Average Shares<br/>Outstanding:</b> |                               |     |  |     |                                  |                              |
| Basic   | 14,506,679                    |     |  |     |                                  | 14,506,679                   |
| Diluted   | 14,562,018                    |     |  |     |                                  | 14,562,018                   |

See Accompanying Notes to Unaudited Pro Forma Financial Information

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**ADJUSTMENTS TO PRO FORMA CONSOLIDATED STATEMENTS OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2011:**

(a)

Derived from the Company's audited consolidated financial statements as of December 31, 2011.

(b)

Reflects revenues and community operating expenses as reported by the Properties for the year ended December 31, 2011.

(c)

Reflects the pro forma depreciation expense for the year ended December 31, 2011 based on a 27.5 year estimated useful life for site and land improvements, buildings and improvements and rental homes and accessories for a total cost basis of \$26,083,000; and a 5 year estimated useful life for equipment and vehicles with a cost basis of \$167,000, as if the properties had been owned for the entire year.

(d)

Reflects the pro forma interest expense on the mortgage and loans payable as if it they were made on January 1, 2011. Interest on the mortgage is at LIBOR + 300bp (average of 3.25% for the year) and interest on the margin loan is variable (2% for the year).

(e)

Reflects the estimated cost incurred for the transaction and due diligence costs associated with the acquisition of the Properties.

(f)

Reflects the amortization of the costs incurred in connection with obtaining the mortgage on this acquisition.



## UMH PROPERTIES, INC.

## PRO FORMA CONSOLIDATED STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2012

(Unaudited)

|  | <b>Company<br/>Historical</b> | <b>(a)</b> | <b>Acquisition of<br/>the Properties</b> | <b>(b)</b> | <b>Pro Forma<br/>Adjustments</b> | <b>Company<br/>Pro Forma</b> |
|--|-------------------------------|------------|--|------------|----------------------------------|------------------------------|
| <b>INCOME:</b>   |                               |            |  |            |                                  |                              |
| Rental and Related Income  | \$17,667,035                  |            | \$2,130,000                              |            | \$ -0-                           | \$19,797,035                 |
| Sales of Manufactured Homes                                      | 4,367,940                     |            | -0-                                      |            | -0-                              | 4,367,940                    |
| Total Income   | 22,034,975                    |            | 2,130,000                                |            | -0-                              | 24,164,975                   |
| <b>EXPENSES:</b>   |                               |            |  |            |                                  |                              |
| Community Operating Expenses                                     | 9,674,174                     |            | 915,000                                  |            | -0-                              | 10,589,174                   |
| Cost of Sales of Manufactured Homes                              | 4,040,403                     |            | -0-                                      |            | -0-                              | 4,040,403                    |
| Selling Expenses   | 1,059,745                     |            | -0-                                      |            | -0-                              | 1,059,745                    |
| General and Administrative Expenses                              | 2,490,066                     |            | -0-                                      |            | -0-                              | 2,490,066                    |
| Acquisition Costs  | 269,941                       |            | -0-                                      |            | 384,000(e)                       | 653,941                      |
| Depreciation Expense   | 3,301,421                     |            | -0-                                      |            | 491,000(c)                       | 3,792,421                    |
| Amortization of Financing Costs                                  | 139,326                       |            | -0-                                      |            | 16,000(f)                        | 155,326                      |
| Total Expenses   | 20,975,076                    |            | 915,000                                  |            | 891,000                          | 22,781,076                   |
| <b>OTHER INCOME (EXPENSE):</b>                                   |                               |            |  |            |                                  |                              |
| Interest and Dividend Income                                     | 2,549,517                     |            | -0-                                      |            | -0-                              | 2,549,517                    |
| Gain on Securities Transactions, net                             | 2,281,066                     |            | -0-                                      |            | -0-                              | 2,281,066                    |
| Other Income   | 555,259                       |            | -0-                                      |            | -0-                              | 555,259                      |
| Interest Expense   | (2,666,167)                   |            | -0-                                      |            | (289,000)(d)                     | (2,955,167)                  |
| Total Other Income (Expense)                                     | 2,719,675                     |            | -0-                                      |            | (289,000)                        | 2,430,675                    |
| Income before Loss on Sales of Investment Property and Equipment | 3,779,574                     |            | 1,215,000                                |            | (1,180,000)                      | 3,814,574                    |
| Loss on Sales of Investment Property and Equipment               | (10,841)                      |            | -0-                                      |            | -0-                              | (10,841)                     |
| <b>Net Income</b>  | <b>3,768,733</b>              |            | <b>1,215,000</b>                         |            | <b>(1,180,000)</b>               | <b>3,803,733</b>             |
| Less: Preferred Dividend   | 1,621,034                     |            | -0-                                      |            | -0-                              | 1,621,034                    |
| <b>Net Income Attributable to Common Shareholders</b>            | <b>\$2,147,699</b>            |            | <b>\$1,215,000</b>                       |            | <b>(\$1,180,000)</b>             | <b>\$2,182,699</b>           |



See Accompanying Notes to Unaudited Pro Forma Financial Information

## UMH PROPERTIES, INC.

## PRO FORMA CONSOLIDATED STATEMENT OF INCOME - CONTINUED

FOR THE SIX MONTHS ENDED JUNE 30, 2012

(Unaudited)

|   | Company<br>Historical | (a)        | Acquisition of<br>the Properties | (b) | Pro Forma<br>Adjustments | Company<br>Pro Forma |
|---|-----------------------|------------|----------------------------------|-----|--------------------------|----------------------|
| <b>Basic Income Per Share:</b>                  |                       |            |                                  |     |                          |                      |
| Net Income                                      |                       | \$0.24     |                                  |     |                          | \$0.24               |
| Less: Preferred Dividend                        |                       | (0.10)     |                                  |     |                          | (0.10)               |
| Net Income Attributable to Common               |                       |            |                                  |     |                          |                      |
| Shareholders                                    |                       | \$0.14     |                                  |     |                          | \$0.14               |
| <b>Diluted Income Per Share:</b>                |                       |            |                                  |     |                          |                      |
| Net Income                                      |                       | \$0.24     |                                  |     |                          | \$0.24               |
| Less: Preferred Dividend                        |                       | (0.10)     |                                  |     |                          | (0.10)               |
| Net Income Attributable to Common               |                       |            |                                  |     |                          |                      |
| Shareholders                                    |                       | \$0.14     |                                  |     |                          | \$0.14               |
| <b>Weighted Average Shares<br/>Outstanding:</b> |                       |            |                                  |     |                          |                      |
| Basic   |                       | 15,762,634 |                                  |     |                          | 15,762,634           |
| Diluted   |                       | 15,824,169 |                                  |     |                          | 15,824,169           |

See Accompanying Notes to Unaudited Pro Forma Financial Information

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**ADJUSTMENTS TO PRO FORMA CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2012:**

(a)

Derived from the Company's unaudited financial statements for the six months ended June 30, 2012.

(b)

Reflects revenues and operating expenses as reported by the Properties for the six months ended June 30, 2012.

(c)

Reflects the pro forma depreciation expense for the six months ended June 30, 2012 based on a 27.5 year estimated useful life for site and land improvements, buildings and improvements and rental homes and accessories for a total cost basis of \$26,083,000; and a 5 year estimated useful life for equipment and vehicles with a cost basis of \$167,000, as if the properties had been owned for the entire period.

(d)

Reflects the pro forma interest expense on the mortgage and loans payable for the six months ended June 30, 2012. Interest on the mortgage is at LIBOR + 300bp (average of 3.25% for the period) and interest on the margin loan is variable (2% for the period).

(e)

Reflects the estimated cost incurred for the transaction and due diligence costs associated with the acquisition of the Properties.

(f)

Reflects the amortization of the costs incurred in connection with obtaining the mortgage on this acquisition.



**SIGNATURE**

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

**UMH Properties, Inc.**

Date: October 10, 2012

By:     /s/ Anna T. Chew

Name:

Anna T. Chew

Title:

Vice President and

Chief Financial Officer