

TRIAD HOSPITALS INC  
Form SC 13D/A  
December 12, 2006

OMB APPROVAL

OMB Number: 3235-0145  
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hours per response..... 15

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

**SCHEDULE 13D/A**  
Under the Securities Exchange Act of 1934  
(Amendment No. 3)

**TRIAD HOSPITALS, INC.**

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(Name of Issuer)

**COMMON STOCK, PAR VALUE \$0.01 PER SHARE**

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(Title of Class of Securities)

**89579K109**

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(CUSIP Number)

**Dinakar Singh**  
**TPG-Axon Capital Management, L.P.**  
**888 Seventh Avenue, 38th Floor**  
**New York, New York 10019**  
**(212) 479-2000**

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(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

**December 12, 2006**

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(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d -1(e), 240.13d -1(f) or 240.13d -1(g), check the following box. o

The information required on the remainder of this cover page shall not be deemed to be  filed  for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the  Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 89579K109

13D

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  TPG-Axon GP, LLC
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o
3	SEC USE ONLY
4	SOURCE OF FUNDS (See Instructions)  OO
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)  N/A  o
6	CITIZENSHIP OR PLACE OF ORGANIZATION  Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER  0
	8 SHARED VOTING POWER  6,480,500
	9 SOLE DISPOSITIVE POWER  0
	10 SHARED DISPOSITIVE POWER  6,480,500
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  6,480,500
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

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		0
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	7.4%*	
14	TYPE OF REPORTING PERSON	
	OO	

\*All percentage ownership reported in this Schedule 13D/A is based on 88,020,293 shares of Common Stock issued and outstanding as of October 31, 2006, as reported by the Issuer (as defined below) in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 filed with Securities and Exchange Commission on November 7, 2006.

CUSIP No. 89579K109

13D

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  TPG-Axon Partners GP, L.P.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o
3	SEC USE ONLY
4	SOURCE OF FUNDS (See Instructions)  OO
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)  N/A  o
6	CITIZENSHIP OR PLACE OF ORGANIZATION  Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER  0
	8 SHARED VOTING POWER  2,233,866
	9 SOLE DISPOSITIVE POWER  0
	10 SHARED DISPOSITIVE POWER  2,233,866
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  2,233,866
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 2.5%*	
14	TYPE OF REPORTING PERSON PN	

CUSIP No. 89579K109

13D

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  TPG-Axon Partners, LP
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o
3	SEC USE ONLY
4	SOURCE OF FUNDS (See Instructions)  WC
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)  N/A o
6	CITIZENSHIP OR PLACE OF ORGANIZATION  Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER  0
	8 SHARED VOTING POWER  2,233,866
	9 SOLE DISPOSITIVE POWER  0
	10 SHARED DISPOSITIVE POWER  2,233,866
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  2,233,866
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 2.5%*	
14	TYPE OF REPORTING PERSON PN	

CUSIP No. 89579K109

13D

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  TPG-Axon Capital Management, L.P.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o
3	SEC USE ONLY
4	SOURCE OF FUNDS (See Instructions)  OO
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)  N/A  o
6	CITIZENSHIP OR PLACE OF ORGANIZATION  Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER  0
	8 SHARED VOTING POWER  6,480,500
	9 SOLE DISPOSITIVE POWER  0
	10 SHARED DISPOSITIVE POWER  6,480,500
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  6,480,500
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES



		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.4%*	
14	TYPE OF REPORTING PERSON PN	

CUSIP No. 89579K109

13D

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  TPG-Axon Partners (Offshore), Ltd.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o
3	SEC USE ONLY
4	SOURCE OF FUNDS (See Instructions)  WC
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)  N/A  o
6	CITIZENSHIP OR PLACE OF ORGANIZATION  Cayman Islands, BWI
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER  0
	8 SHARED VOTING POWER  4,246,634
	9 SOLE DISPOSITIVE POWER  0
	10 SHARED DISPOSITIVE POWER  4,246,634
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  4,246,634
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 4.8%*	
14	TYPE OF REPORTING PERSON OO	

CUSIP No. 89579K109

13D

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  Dinakar Singh LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  <input checked="" type="checkbox"/> (a) x <input type="checkbox"/> (b) o	
3	SEC USE ONLY	
4	SOURCE OF FUNDS (See Instructions)  OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)  N/A  <input type="checkbox"/> o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  0
	8	SHARED VOTING POWER  6,480,500
	9	SOLE DISPOSITIVE POWER  0
	10	SHARED DISPOSITIVE POWER  6,480,500
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  6,480,500	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	

		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.4%*	
14	TYPE OF REPORTING PERSON OO	

CUSIP No. 89579K109

13D

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  Dinakar Singh		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  <input checked="" type="checkbox"/> (a) x <input type="checkbox"/> (b) o		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions)  OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)  N/A  <input type="checkbox"/> o		
6	CITIZENSHIP OR PLACE OF ORGANIZATION  USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  0	
	8	SHARED VOTING POWER  6,480,500	
	9	SOLE DISPOSITIVE POWER  0	
	10	SHARED DISPOSITIVE POWER  6,480,500	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  6,480,500		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		

		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.4%*	
14	TYPE OF REPORTING PERSON IN	

Pursuant to Rule 13d-2 promulgated under the Act, this Schedule 13D/A (this "Amendment No. 3") amends the Schedule 13D originally filed on November 1, 2006 (File Number 005-56393) (the "Schedule 13D"), as previously amended by Amendment No. 1 and Amendment No. 2 thereto on November 17, 2006 and December 1, 2006, respectively. This Amendment No. 3 is being filed by TPG-Axon GP, LLC ("GP LLC"), TPG-Axon Partners GP, L.P. ("Partners GP"), TPG-Axon Partners, LP ("TPG-Axon Domestic"), TPG-Axon Capital Management, L.P. (TPG-Axon Management), TPG-Axon Partners (Offshore), Ltd. ("TPG-Axon Offshore"), Dinakar Singh LLC ("Singh LLC") and Dinakar Singh ("Mr. Singh"). The foregoing persons are sometimes collectively referred to herein as the "Reporting Persons." Any disclosures herein with respect to persons other than the Reporting Persons are based on the information and belief of the Reporting Persons. This Amendment No. 3 relates to the Common Stock, par value \$0.01 per share (the "Common Stock"), of Triad Hospitals, Inc., a Delaware corporation (the "Issuer"). References herein to the "Shares" are to the shares of Common Stock of the Issuer being reported herein by the Reporting Persons.

The Reporting Persons are making a single, joint filing because they may be deemed to constitute a "group" within the meaning of Section 13(d)(3) of the Act. The agreement among the Reporting Persons to file jointly (the "Joint filing Agreement") is attached hereto as Exhibit 1.

TPG-Axon Management, as investment manager to TPG-Axon Domestic and TPG-Axon Offshore, has the power to direct the disposition and voting of the Shares held by TPG-Axon Domestic and TPG-Axon Offshore. Partners GP is the general partner of TPG-Axon Domestic. GP LLC is the general partner of Partners GP and TPG-Axon Management. Singh LLC is a Managing Member of GP LLC. Mr. Singh, an individual, is the Managing Member of Singh LLC and in such capacity may be deemed to control Singh LLC, GP LLC and TPG-Axon Management, and therefore may be deemed the beneficial owner of the securities held by TPG-Axon Domestic and TPG-Axon Offshore. Mr. Singh and Eric Mandelblatt ("Mr. Mandelblatt") are Co-Chief Executive Officers of TPG-Axon Management.

Each of Singh LLC, GP LLC, Partners GP, Mr. Singh and Mr. Mandelblatt disclaims beneficial ownership of all of the shares of Common Stock reported in this Amendment No. 3.

***Item 1. Security and Issuer***

No material change.

***Item 2. Identity and Background***

No material change.

***Item 3. Source and Amount of Funds or Other Consideration***

No material change.

***Item 4. Purpose of Transaction***

Item 4 is hereby amended by adding the following at the end thereof:

On December 12, 2006, certain of the Reporting Persons sent a letter to the Issuer and its Board of Directors, reiterating the Reporting Persons' concerns regarding the Issuer's strategy, performance and management controls and recommending strategies to address performance issues, and requesting, pursuant to Section 220 of the Delaware General Corporation Law, permission to inspect, and to make copies and extracts from, the Issuer's stock ledger and list of its stockholders, in each case in order to enable the Reporting Persons and their affiliates to communicate with the other stockholders of the Issuer on matters relating to their mutual interests as stockholders. A copy of the letter is attached hereto as Exhibit 2 and incorporated by reference herein.



***Item 5. Interest in Securities of the Issuer***

No material change.

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***Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer***

No material change.

***Item 7. Material to be Filed as Exhibits***

Exhibit 1. Joint Filing Agreement, dated October 31, 2006, signed by each of the Reporting Persons (previously filed on November 1, 2006 and incorporated by reference herein).

Exhibit 2. Letter to the Issuer, dated December 12, 2006.

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**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 12, 2006

TPG-Axon GP, LLC

By: /s/ Dinakar Singh

\_\_\_\_\_  
Dinakar Singh  
Co-President

TPG-Axon Partners GP, L.P.

By: TPG-Axon GP, LLC, general partner

By: /s/ Dinakar Singh

\_\_\_\_\_  
Dinakar Singh  
Co-President

TPG-Axon Partners, LP

By: TPG-Axon Partners GP, L.P., general partner

By: TPG-Axon GP, LLC, general partner

By: /s/ Dinakar Singh

\_\_\_\_\_  
Dinakar Singh  
Co-President

TPG-Axon Capital Management, L.P.

By: TPG-Axon GP, LLC, general partner

By: /s/ Dinakar Singh

\_\_\_\_\_  
Dinakar Singh  
Co-President

TPG-Axon Partners (Offshore), Ltd.

By: /s/ Dinakar Singh

\_\_\_\_\_  
Dinakar Singh  
Director



Dinakar Singh LLC

By: /s/ Dinakar Singh

\_\_\_\_\_  
Dinakar Singh  
Managing Member

/s/ Dinakar Singh

\_\_\_\_\_  
Dinakar Singh

LIST OF EXHIBITS  
TO SCHEDULE 13D/A

1. Joint Filing Agreement, dated October 31, 2006, signed by each of the Reporting Persons (previously filed on November 1, 2006 and incorporated by reference herein).
2. Letter to the Issuer, dated December 12, 2006.

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width="16%" valign="bottom" bgcolor="#CCEEFF" style="background:#CCEEFF;padding:0in 0in 0in 0in;width:16.5%;">

Archstone Ballston Place

Arlington, VA

383

871

22

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2001

\$

2,570

Crystal House I(5)

Arlington, VA

426

880

1969

2,028

Crystal House II(5)

Arlington, VA

401

913

1965

23

1,951

Archstone Ballston Square

Arlington, VA

714

877

1992

2,350

Archstone Courthouse Place

Arlington, VA

564

849

1999

2,428

Oakwood Arlington(6)



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Arlington, VA

184

839

1987

1,738

Archstone Woodland Park(3)

Herndon, VA

392

1,003

2000

1,688

Archstone Reston Landing

Reston, VA

400

25

995

2000

1,813

Archstone Tysons Corner

Vienna, VA

217

967

1980

1,790

The Albemarle

Washington, DC

228

1,123

1966

26

2,569

Tunlaw Gardens

Washington, DC

166

816

1944

1,807

The Statesman

Washington, DC

281

678

1961

1,943

Archstone Glover Park

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Washington, DC

120

869

1953

2,346

The Consulate

Washington, DC

268

843

1978

2,193

Brandywine(7)(8)

Washington, DC

305

28

1,280

1954

N/A

Archstone Russett

Laurel, MD

238

1,154

1999

1,817

Grosvenor Tower(4)

North Bethesda, MD

236

972

1987

2,040

Archstone Wheaton Station

Wheaton, MD

243

884

2005

1,809

Oakwood Philadelphia(6)

Philadelphia, PA

80

831

1945

1,573

**Subtotal - Mid-Atlantic**

30

5,846

928

\$

2,085

**Pacific Northwest**

Kirkland at Carillon Point(4)

Kirkland, WA

130

1,344

1990

\$

2,209

Archstone Redmond Campus

Redmond, WA

422

1,017

32



1991

1,639

Archstone Redmond Lakeview

Redmond, WA

166

849

1987

1,402

3

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<b>Subtotal - Pacific Northwest</b>		718	1,037		\$	1,687
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**Northern California**

Archstone Walnut Creek	Walnut Creek, CA	510	746	1987	\$	1,549
Archstone Walnut Ridge	Walnut Creek, CA	106	764	2000		1,869
Archstone Walnut Creek Station	Walnut Creek, CA	360	700	1989		1,592
Archstone San Bruno	San Bruno, CA	300	891	2004		2,240
Archstone San Bruno II	San Bruno, CA	185	846	2007		2,145
Archstone San Bruno III	San Bruno, CA	187	1,237	2005		2,965
Mountain View at Middlefield(9)	Mountain View, CA	402	651	1969		N/A
Archstone Willow Glen	San Jose, CA	412	928	2002		1,976
West Valley(9)	San Jose, CA	789	639	1970		N/A
Archstone Sunnyvale(4)	Sunnyvale, CA	192	1,063	1991		2,271
<b>Subtotal - Northern California</b>		3,443	790		\$	1,969

**Southern California**

Archstone Los Feliz	Los Angeles, CA	263	767	1989	\$	1,686
Oakwood Toluca Hills(6)	Los Angeles, CA	1,151	691	1973		1,183
Archstone Marina Bay(4)(10)(11)	Marina del Rey, CA	205	815	1967		N/A
Archstone Pasadena	Pasadena, CA	120	854	2004		2,272
Archstone Del Mar Station	Pasadena, CA	347	975	2006		2,133
Archstone Old Town Pasadena	Pasadena, CA	96	692	1972		1,723
Archstone Santa Monica on Main	Santa Monica, CA	133	921	2007		3,887
Archstone Studio City	Studio City, CA	450	736	1987		1,786
Archstone Studio City II	Studio City, CA	101	834	1991		1,891
Archstone Studio City III	Studio City, CA	276	955	2002		2,303
Archstone Studio 4041(4)	Studio City, CA	149	841	2009		2,031
Venice on Rose(4)	Venice, CA	70	1,207	2011		4,663
Archstone Woodland Hills(9)	Woodland Hills, CA	883	655	1971		N/A
Seal Beach(9)	Seal Beach, CA	549	706	1971		N/A
Archstone La Mesa	La Mesa, CA	168	830	1989		1,538
Archstone La Jolla Colony	San Diego, CA	180	761	1987		1,642

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Archstone Oak Creek	Agoura Hills, CA	336	1,084	2004		2,230
Archstone Calabasas	Calabasas, CA	600	844	1988		1,708
Archstone Simi Valley	Simi Valley, CA	500	860	2007		1,655
Archstone Thousand Oaks	Thousand Oaks, CA	154	873	1992		1,828
Archstone Thousand Oaks Plaza	Thousand Oaks, CA	148	949	2002		1,930
Archstone Vanoni Ranch	Ventura, CA	316	936	2005		1,757
<b>Subtotal - Southern California</b>		<b>7,195</b>	<b>806</b>		<b>\$</b>	<b>1,806</b>
<b>Non-Core Markets</b>						
Archstone Lexington	Flower Mound, TX	222	983	2000	\$	1,254
Archstone Memorial Heights	Houston, TX	556	781	1996		1,348
Boca Town Center(4)	Boca Raton, FL	252	1,064	1988		1,404
<b>Subtotal - Non-Core Markets</b>		<b>1,030</b>	<b>894</b>		<b>\$</b>	<b>1,342</b>
<b>Total Portfolio/Portfolio Average</b>		<b>21,273</b>	<b>852</b>		<b>\$</b>	<b>2,078</b>

(1) Represents the date that construction of the apartment community was completed, and does not consider any subsequent capital expenditures to redevelop the applicable apartment community or for other purposes.

(2) Represents the average monthly revenue per occupied home for the year ending December 31, 2012, or (in the case of communities that Archstone acquired during 2012) for the period of Archstone's ownership.

(3) This apartment community is owned by a joint venture in which we own a 20.0% interest.

(4) This apartment community is owned by a joint venture in which we own a 28.6% interest.

(5) Interest in this apartment community is subject to a ground lease which expires in November 2060. The apartment community is under contract for disposition as of the date of this report.

(6) This apartment community is leased to a single master tenant operator under a master lease that expires in July 2017.

(7) This apartment community is managed by a third party and rent per home for 2012 was not available to us as of the date of this report.

(8) This apartment community is owned by a joint venture in which we own a 26.1% interest.

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(9) Revenue per Occupied Home is not presented for this apartment community as it was subject to a master lease agreement to one master tenant operator for a portion of 2012, transitioning to conventional operations during the year.

(10) Revenue per Occupied Home is not presented for this apartment community as it is under redevelopment. This apartment community also includes the ownership of 218 boat slips in the adjoining marina.

(11) Interest in this apartment community is subject to a ground lease which expires in June 2051.

*Properties Planned, Under Construction or in Lease-Up*

The table below provides details with respect to properties under construction and/or in lease-up or planned for development in which we acquired a direct or indirect interest in connection with the Archstone Acquisition. You should carefully review information about our Development Communities, Redevelopment Communities and Development Rights (as defined in our Annual Report on Form 10-K for the year ended December 31, 2012) under Item 1a., Risk Factors, Item 2., Communities, and Item 7., Management's Discussion and Analysis of Financial Condition and Results of Operations in that Form 10-K for discussions of the risks associated with our development and redevelopment activity.

Property	Location	Start Date	Expected Apartment Homes
<b>Under Construction and/or in Lease-up(1)</b>			
Archstone First+M Phase I	Washington, DC	Q3 2010	469
Archstone Toscano	Houston, TX	Q2 2011	474
Parkland Gardens	Arlington, VA	Q2 2012	228
Memorial Heights Phase I	Houston, TX	Q3 2012	318
Archstone Berkeley on Addison	Berkeley, CA	Q3 2012	94
Archstone West Valley Expansion	San Jose, CA	Q3 2012	84
<b>Land Held, In Planning and Owned(2)</b>			
Archstone First+M Phase II	Washington, DC	TBD	436
Oakwood Toluca Hills Land	Toluca Hills, CA	TBD	150
Huntington Beach(3)	Huntington Beach, CA	TBD	384
Maple Leaf	Cambridge, MA	TBD	103
North Point II	Cambridge, MA	TBD	341
<b>Land Under Option(2)</b>			
Opera Warehouse	San Francisco, CA	TBD	338
Hillwood Square	Falls Church, VA	TBD	462

(1) Total expected investment for consolidated apartment communities under construction and/or in lease-up is \$490 million with \$140 million remaining to invest.

(2) Commencement of construction of projects in planning is subject to regulatory approval, acquisition of financing and/or suitable market conditions.

(3) Land is owned by a consolidated joint venture in which we have a 95.0% interest.

*Joint Venture Agreements*

On February 27, 2013, in connection with the Archstone Acquisition, certain of our subsidiaries and subsidiaries of Equity entered into three limited liability company agreements (collectively, the Residual JV ) through which they acquired certain assets of Archstone, including

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Archstone's interests in certain joint ventures in both the United States as well as in Germany, certain development land parcels, certain loans, subsidiaries which employ certain of Archstone's employees, insurance policies, various licenses and contracts, and other miscellaneous assets such as commercial leases and corporate office equipment. The Residual JV plans to divest (to third parties or to us or Equity) or otherwise wind up these assets, subject to market conditions. The respective percentage interests of our and Equity's subsidiaries in the Residual JV are 40% and 60%, respectively, and the parties will jointly control the Residual JV.

In connection with the Archstone Acquisition, the Residual JV also assumed or succeeded to various liabilities of Archstone, including employment related obligations such as severance and accrued bonuses. The Residual JV also

assumed or succeeded to responsibility for the defense (or pursuit) of certain existing or future litigation and claims related to Archstone and its affiliates arising from periods before the close of the Archstone Acquisition, subject to certain exceptions for liabilities or claims that principally relate to the physical condition of the assets acquired directly by us or Equity, which generally remain the sole responsibility of us or Equity, as applicable.

On February 27, 2013, in connection with the Archstone Acquisition, we entered into a limited liability company agreement with Equity to acquire and own directly and indirectly certain Archstone entities (the Archstone Legacy Entities ) which hold indirect interests in real estate assets, including certain of the Archstone properties acquired by us as described above. The Archstone Legacy Entities have outstanding preferred interests held by unrelated third parties with an aggregate liquidation preference of approximately \$175,000,000 (including accrued but unpaid distributions), of which approximately \$102,000,000 are subject to redemption at the election of the holders of such interests. One of the Archstone Legacy Entities has previously entered into tax protection arrangements with the holders of certain of the preferred interests, which arrangements may limit for varying periods of time our and Equity's ability to dispose of the properties held indirectly by the Archstone Legacy Entities or to refinance certain related indebtedness, without making payments to the holders of such preferred interests. Pursuant to this LLC agreement, we have agreed to bear 40% of the economic cost of these preferred redemption obligations, as well as the tax protection payments that may arise from our disposition or refinancing of properties of the Archstone Legacy Entities that were contributed to a subsidiary that will be consolidated by us for financial reporting purposes, as described below. As part of the Archstone Acquisition, we and Equity have agreed with Lehman and Archstone to cause the acquired Archstone Legacy Entities to have sufficient funds available to honor their redemption obligations and to make any payments under its tax protection arrangements, when they may become due. Following the closing transactions, the principal assets indirectly held by the limited liability company that acquired the Archstone Legacy Entities are interests in a subsidiary of us (the AvalonBay Legacy Subsidiary ) and a subsidiary of Equity, each of which subsidiaries acquired certain properties formerly owned by the Archstone Legacy Entities. We expect to consolidate, for financial reporting purposes, the assets, liabilities and results of operations of the AvalonBay Legacy Subsidiary.

The foregoing description of the agreements described above does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the relevant agreements, copies of which are attached as Exhibits 10.3 - 10.6 hereto.

#### *Consideration*

Pursuant to the Purchase Agreement and separate arrangements between us and Equity governing the allocation of liabilities assumed under the Purchase Agreement, our portion of consideration under the Purchase Agreement was approximately \$6.5 billion, consisting of the following:

- the issuance of 14,889,706 shares of our common stock;
- a cash payment of approximately \$667,000,000;
- the assumption of indebtedness with a fair value of approximately \$4.0 billion, consisting of \$3,600,000,000 principal amount of consolidated indebtedness, \$200,000,000 principal amount for our proportionate share of debt related to unconsolidated joint ventures and, \$200,000,000 representing the amount by which the aforementioned debt fair value exceeds the principal face value;

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- the acquisition with Equity of interests in entities that have preferred units outstanding some of which may be presented for redemption from time to time. Our 40% share of the value of the collective obligation, including accrued dividends on these outstanding Archstone preferred units as of the date of this transaction is approximately \$70,000,000 and
- the assumption with Equity of all other liabilities, known or unknown, of Archstone, other than certain excluded liabilities. We will share in approximately 40% of the cost of these liabilities.



***Registration Rights Agreement***

On February 27, 2013, in connection with the closing of the Archstone Acquisition, we entered into a registration rights agreement with Lehman and Archstone, or the Registration Rights Agreement, pursuant to which we are required to register under the Securities Act of 1933, as amended, or the Securities Act, the resale of the 14,889,706 shares of common stock issued to Archstone as partial consideration for the Archstone Acquisition. Under the Registration Rights Agreement we are obligated to file a resale shelf registration statement by March 8, 2013 pursuant to which, after the expiration of Lehman's lock-up described below on April 26, 2013, it will be able to sell, generally without restrictions, shares received in the transaction. We have the right to suspend sales under the shelf registration statement in limited circumstances for up to 90 days in any twelve-month period. We are obligated to maintain the effectiveness of the registration statement until the earlier of the fifth anniversary of the closing of the Archstone Acquisition or when Lehman owns less than \$250,000,000 market value of the shares it originally received under the Purchase Agreement.

The Registration Rights Agreement gives Lehman the right to conduct two underwritten offerings of our shares during any twelve-month period. We are obligated to cooperate with, and assist in, those offerings and to enter into a 30-day lock-up with Lehman's underwriters. Following the first anniversary of the closing, we have the right once in any twelve-month period to delay an underwritten offering requested by Lehman so that we may undertake our own underwritten offering. If we effect an underwritten offering of our shares, Lehman has agreed to enter into a 30-day lock-up with the underwriters so long as it owns over 5% of our outstanding shares.

The foregoing description of the Registration Rights Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Registration Rights Agreement, a copy of which is attached as Exhibit 10.1 hereto.

***Shareholders Agreement***

On February 27, 2013, in connection with the closing of the Archstone Acquisition, we entered into a shareholders agreement (the "Shareholders Agreement"), pursuant to which Lehman agreed to a lock-up, starting from the date of the Purchase Agreement and ending on April 26, 2013, with respect to the shares of common stock acquired in connection with the Archstone Acquisition. Under the Shareholders Agreement, so long as Lehman owns more than 5% of our common stock, Lehman has agreed it will not (i) acquire beneficial ownership of any additional shares of our common stock; (ii) participate in any voting or similar arrangement with a third party; (iii) enter into, propose or facilitate any change in control transaction (or other extraordinary transaction involving us); or (iv) otherwise act, alone or in concert with others, to seek to control, or influence, our board of directors or our management or policies.

Additionally under the Shareholders Agreement, for one year starting from the date of the closing of the Archstone Acquisition, Lehman will vote all of its shares of our common stock in accordance with the recommendation of our board of directors on any matter other than an extraordinary transaction. After the first year, and for so long as Lehman holds more than 5% of our common stock, Lehman will vote all of its shares of our common stock (i) in accordance with the recommendations of our board of directors with respect to any election of directors, compensation and equity plan matters, and any amendment to our charter to increase our authorized capital stock; (ii) on all matters proposed by other shareholders, either proportionately in accordance with the votes of the other shareholders or, at its election, in accordance with the recommendation of our board of directors; and (iii) on all other matters, in its sole and absolute discretion.

The foregoing description of the Shareholders Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Shareholders Agreement, a copy of which is attached as Exhibit 10.2 hereto.

Prior to the issuance of our shares of common stock to Archstone, our board of directors waived the stock ownership limit in our charter, which generally prohibits a stockholder from holding more than 9.8% of the issued and outstanding shares of any class or series of our stock. The waiver permits Lehman to hold the 14,889,706 shares of our common stock received in the Archstone Acquisition. Our board of directors granted this waiver based on the belief that such waiver will not jeopardize our ability to qualify as a REIT.

**Federal National Mortgage Association Master Credit Facility Agreement and Related Notes**

On February 27, 2013, subsidiaries of the Company entered into a Master Credit Facility Agreement and related notes with Federal National Mortgage Association ( Fannie Mae ) pursuant to which certain of the Company's subsidiaries assumed approximately \$2,270,000,000 of Archstone's indebtedness with Fannie Mae and modified the terms of such indebtedness (the Fannie Mae Loan ). As assumed and modified, the Fannie Mae Loan is divided into three separate loan pools which we refer to as Pools 2, 6 and 9. The properties securing Pools 2 and 6 are cross-defaulted but not cross-collateralized, and Pool 9 was repaid in its entirety at closing. See Item 2.03 below for additional information regarding the Fannie Mae Loan and the related loan pools.

The foregoing description of the Fannie Mae Loan does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Fannie Mae Loan, a copy of which is attached as Exhibit 10.7 hereto.

**ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.**

As part of the Archstone Acquisition, on February 27, 2013, we assumed \$3,597,000,000 principal amount of Archstone's existing indebtedness. Concurrent with the closing of the Archstone Acquisition we repaid \$1,562,000,000 principal amount of this outstanding indebtedness. Principal amounts of consolidated indebtedness assumed and repaid are detailed further in the following table (dollars in thousands).

Community / Debt Facility	Stated Interest Rate	Principal Final Maturity Date	Principal Balance Assumed (1)	Principal Repayments at Assumption	Net Principal Balance Assumed (1)
<b>Tax-exempt bonds</b>					
<i>Fixed Rate</i>					
Meadowbrook	4.61%	Nov-2036	\$ 62,200	\$	\$ 62,200
<i>Variable Rate</i>					
Clinton	SIFMA + 1.53%	Nov-2038	268,500		268,500
Midtown West	SIFMA + 1.13%	May-2029	100,500		100,500
San Bruno	SIFMA + 1.35%	Dec-2037	64,450		64,450
Calabasas	SIFMA + 1.48%	Apr-2038	44,410		44,410
			540,060		540,060
<b>Conventional loans</b>					
<i>Fixed Rate</i>					
Fannie Mae Pool 6 (2)	6.19%	Nov-2015	940,923	443,000	497,923
Fannie Mae Pool 2 (2)	6.26%	Nov-2017	692,192		692,192
First and M	5.57%	May-2053	128,826		128,826
San Bruno II	5.37%	Apr-2021	31,700		31,700
Meadowbrook	4.70%	Nov-2036	22,665		22,665
Lexington	5.55%	Mar-2016	16,984		16,984
			1,833,290	443,000	1,390,290
<i>Variable Rate</i>					
Fannie Mae Pool 9	LIBOR + 1.27%	Nov-2014	636,756	636,756	
Freddie Mac Pool	LIBOR + 0.96%	Nov-2014	270,943	270,943	
South San Francisco	DMBS + 1.00%	Apr-2013	76,706	76,706	
Calabasas	DMBS + 1.44%	Aug-2018	57,472		57,472
San Bruno III	LIBOR + 2.60%	May-2013	47,000		47,000

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Wheaton Station	DMBS + 1.00%	Apr-2013	44,539	44,539
La Mesa	DMBS + 1.00%	Apr-2013	24,755	24,755
Parkland Gardens	LIBOR + 2.25%	May-2017	18,176	18,176
Toscano	LIBOR + 6.00%	May-2016	42,805	42,805
Memorial Heights	LIBOR + 2.50%	May-2017	4,806	4,806
			1,223,958	1,119,486
				104,472
<b>Total Indebtedness</b>			\$ 3,597,308	\$ 1,562,486
				\$ 2,034,822

(1) Balances are for consolidated debt assumed and do not include our share of the principal amount of debt held by unconsolidated joint ventures of approximately \$200 million. Balances also do not consider amounts held in principal reserve funds that were received by the Company, and are held for the repayment for the respective borrowing.

(2) Borrowings are cross-defaulted.

In addition to the assumed consolidated indebtedness discussed above, as disclosed in footnote 5 to the table detailing the operating communities we acquired as part of the Archstone Acquisition in this report, two of the consolidated operating communities are subject to ground leases that expire in November 2060. We expect to sell these communities in first quarter of 2013.

**ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES.**

The information set forth above in Item 1.01 Entry into a Material Definitive Agreement and Item 2.01 Completion of Acquisition or Disposition of Assets is incorporated herein by reference. In connection with the Archstone Acquisition, we issued 14,889,706 shares of our common stock to Archstone or its successors, valued at \$1.88 billion as of the market's close on February 27, 2013. The issuance of our common stock pursuant to the Purchase Agreement as described above was not registered under the Securities Act, in reliance upon the exemption from registration provided by Section 4(2) thereof for transactions not involving a public offering. We have agreed to register the resale of these shares under the terms of the Registration Rights Agreement, as described above.

**ITEM 7.01 REGULATION FD DISCLOSURE.**

On February 27, 2013, we issued a press release announcing the closing of the Archstone Acquisition. A copy of our press release is furnished as Exhibit 99.1 and is incorporated herein by reference.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

*(a) Financial Statements of Businesses Acquired*

The financial statements required to be filed pursuant to this Item 9.01 have been previously filed and are incorporated herein by reference to our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 26, 2013.

*(b) Pro Forma Financial Information.*

The pro forma financial information required by this Item 9.01 is not being filed herewith. It will be filed by amendment to this Current Report on Form 8-K not later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.



*(d) Exhibits.*

The Exhibit Index appearing immediately after the signature page of this Form 8-K is incorporated herein by reference.

## **FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements as that term is defined under the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by our use of the words believe, expect, anticipate, intend, estimate, assume, project, plan, and other similar expressions in this press release, that predict or indicate future events and trends and that do not report historical matters.

Forward-looking statements or forecasts relating to the business, prospects, operating statistics or financial results that relate to or may be expected to result from the Archstone Acquisition are based on expectations, forecasts and assumptions that are inherently speculative and are subject to substantial risks and uncertainties, many of which we cannot predict with accuracy and some of which we may not have anticipated. As a result, the actual operating statistics and financial results that relate to or may be expected to result from the Archstone Acquisition may differ materially from the Company's forecasts. Risks, uncertainties and other factors related to the Archstone Acquisition that might cause such differences include, among other things, the following: we may not be able to integrate the assets and operations acquired in the Archstone Acquisition in a manner consistent with our assumptions and/or we may fail to achieve expected efficiencies and synergies; we may encounter liabilities related to the Archstone Acquisition for which we may be responsible that were unknown to us at the time we agreed to the Archstone Acquisition or at the time of this report; and our assumptions concerning risks relating to our lack of control of joint ventures and our ability to successfully dispose of certain assets may not be realized.

We do not undertake a duty to update these forward-looking statements, and therefore they may not represent our estimates and assumptions after the date on which this report was filed. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, and which may cause our actual results, performance or achievements to differ materially from the anticipated future results, performance or achievements expressed or implied by these forward-looking statements. In addition to the factors referred to above, you should carefully review the discussion in our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the Securities and Exchange Commission on February 22, 2013, under Item 1a., Risk Factors, and the other disclosures elsewhere in the Form 10-K and our subsequent reports on Form 10-Q and 8-K and other filings with the SEC for further discussion of additional risks and uncertainties associated with our business and these forward-looking statements.

SIGNATURES

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

AVALONBAY COMMUNITIES, INC.

March 5, 2013

By:	/s/ Thomas J. Sargeant
Name:	Thomas J. Sargeant
Title:	Chief Financial Officer



**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
10.1	Registration Rights Agreement, dated February 27, 2013, by and between Lehman Brothers Holdings Inc. and AvalonBay Communities, Inc.
10.2	Shareholders Agreement, dated February 27, 2013, by and among AvalonBay Communities, Inc., Archstone Enterprise LP and Lehman Brothers Holdings Inc.
10.3	Archstone Residual JV, LLC Limited Liability Company Agreement
10.4	Archstone Parallel Residual JV, LLC Limited Liability Company Agreement
10.5	Archstone Parallel Residual JV 2, LLC Limited Liability Company Agreement
10.6	Legacy Holdings JV, LLC Limited Liability Company Agreement
10.7	Master Credit Facility Agreement, dated February 27, 2013, by and among Federal National Mortgage Association and the parties named therein.
99.1	Press Release dated February 27, 2013