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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K  
CURRENT REPORT

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

MARCH 2, 2004  
(Date of Report)

MANUFACTURED HOME COMMUNITIES, INC.  
(Exact name of registrant as specified in its Charter)

1-11718  
(Commission File No.)

MARYLAND  
(State or other jurisdiction of  
incorporation or organization)

36-3857664  
(I.R.S. Employer  
Identification No.)

TWO NORTH RIVERSIDE PLAZA, CHICAGO, ILLINOIS  
(Address of principal executive offices)

60606  
(Zip Code)

(312) 279-1400  
(Registrant's telephone number, including area code)

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ITEM 2. ACQUISITION OF ASSETS

Manufactured Home Communities, Inc. and its subsidiaries (the "Company") has invested in 30 manufactured home communities ("Communities") and park model communities ("Resorts"), containing 12,344 sites, during the period from January 1, 2004 through February 19, 2004. These Communities and Resorts are discussed below. The combined investment in these 30 properties was approximately \$137.6 million. (amounts in millions, except for total sites)

PURCHASE NET  
 CLOSING DATE  
 PROPERTY  
 LOCATION  
 PROPERTY  
 TYPE TOTAL  
 SITES PRICE  
 DEBT EQUITY  
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ACQUISITIONS:

January 15,  
 2004  
 O'Connell's  
 (a) Amboy,  
 IL Vacation  
 Resort 668 \$  
 6.6 \$ 5.0 \$  
 1.6 January  
 30, 2004  
 Spring Gulch  
 (b) New  
 Holland, PA  
 Vacation  
 Resort 420  
 6.0 4.8 1.2  
 February 3,  
 2004  
 Paradise (c)  
 Mesa, AZ  
 Vacation  
 Resort 950  
 25.0 20.0  
 5.0 February  
 18, 2004  
 Twin Lakes  
 (d)  
 Chocowinity,  
 NC Vacation  
 Resort 400  
 5.2 3.8 1.4  
 February 19,  
 2004  
 Lakeside (e)  
 New  
 Carlisle, IN  
 Vacation  
 Resort 95  
 1.7 --- 1.7  
 February 5,  
 2004 Shangri  
 La Largo, FL  
 Age  
 Qualified  
 160 (f) 4.5  
 (f) February  
 5, 2004  
 Terra Ceia  
 Palmetto, FL  
 Vacation  
 Resort 203

(f) 2.6 (f)  
February 5,  
2004  
Southernaire  
Mt. Dora, FL  
Age  
Qualified  
134 (f) 2.1  
(f) February  
5, 2004  
Sixth Avenue  
Zephyrhills,  
FL Age  
Qualified  
140 (f) 2.3  
(f) February  
5, 2004 Suni  
Sands Yuma,  
AZ Vacation  
Resort 336  
(f) 3.2 (f)  
February 5,  
2004 Topic's  
Spring Hill,  
FL Vacation  
Resort 230  
(f) 2.2 (f)  
February 5,  
2004  
Coachwood  
Colony  
Leesburg, FL  
Age  
Qualified  
200 (f) 4.3  
(f) February  
5, 2004  
Waterway  
Cedar Point,  
NC Vacation  
Resort 336  
(f) 6.3 (f)  
February 5,  
2004 Desert  
Paradise  
Yuma, AZ  
Vacation  
Resort 260  
(f) 1.5 (f)  
February 5,  
2004 Goose  
Creek  
Newport, NC  
Vacation  
Resort 598  
(f) 12.6 (f)  
MEZZANINE  
INVESTMENTS  
(g):  
February 3,  
2004 Fiesta  
Grande I &  
II Casa  
Grande, AZ  
Vacation  
Resort 767 -  
-- --- 3.7  
February 3,  
2004  
Tropical  
Palms North  
Ft. Myers,  
FL Age  
Qualified  
297 --- ---  
1.9 February  
3, 2004  
Island Vista  
Estates  
North Ft.  
Myers, FL

All-Ages 617  
--- --- 4.6  
February 3,  
2004  
Foothills  
West Casa  
Grande, AZ  
Vacation  
Resort 188 -  
-- --- 1.5  
February 3,  
2004 Capri  
Yuma, AZ  
Vacation  
Resort 300 -  
-- --- 2.1  
February 3,  
2004 Casita  
Verde Casa  
Grande, AZ  
Vacation  
Resort 192 -  
-- --- 1.2  
February 3,  
2004  
Rambler's  
Rest Venice,  
FL Vacation  
Resort 647 -  
-- --- 6.2  
February 3,  
2004 Venture  
In Show Low,  
AZ Vacation  
Resort 389 -  
-- --- 2.4  
February 3,  
2004 Scenic  
Asheville,  
NC Age  
Qualified  
224 --- ---  
1.2 February  
3, 2004  
Clerbrook  
Clermont, FL  
Vacation  
Resort 1,255  
--- --- 3.9  
February 3,  
2004 Inlet  
Oaks  
Murrells  
Inlet, SC  
Age  
Qualified  
178 --- ---  
1.0 JOINT  
VENTURES  
(h):  
December 18,  
2003 Lake  
Myers  
Mocksville,  
NC Vacation  
Resort 425 -  
-- --- 0.4  
January 21,  
2004 Pine  
Haven Ocean  
View, NJ  
Vacation  
Resort 625 -  
-- --- 0.4  
January 27,  
2004 Twin  
Mills Howe,  
IN Vacation  
Resort 501 -  
-- --- 0.2  
February 10,

2004

Plymouth  
Rock Elkhart  
Lake, WI  
Vacation  
Resort 609 -  
-- --- 0.4

- (a) Property was purchased from O'Connell's Holding Corp. and O'Connell's, Inc.
- (b) Property was purchased from Spring Gulch, Inc.
- (c) Property was purchased from PRVR Limited Partnership.

- (d) Property was purchased from Twin Lakes Land, LLC and Twin Lakes Camping Resort, LLC.
- (e) Property was purchased from Don-Bar Family Limited Partnership.
- (f) The portfolio was acquired for a total purchase price of \$62 million and \$20.9 million of net equity. The transaction was funded partially through loans obtained on the individual properties as shown in the table.
- (g) On February 3, 2004, the Company invested approximately \$29.7 million in preferred equity in six entities controlled by Diversified Investments, Inc. ("Diversified"). In addition, the Company has invested approximately \$1.4 million in the Diversified entities managing these properties.
- (h) The Company invested approximately \$1.4 million with Diversified in four separate entities, each controlling a Resort property.

ITEM 7.

FINANCIAL STATEMENTS AND EXHIBITS

A. FINANCIAL STATEMENTS

It is not possible to provide the combined audited income statement pursuant to Rule 3-14 of Regulation S-X for the fiscal year ended December 31, 2003 at the time of the filing of this report; such income statement will be filed as an amendment to this Report on Form 8-K under cover of Form 8-K/A within sixty days of the due date of this report.

B. PRO FORMA FINANCIAL INFORMATION

It is not possible to provide the combined unaudited pro forma income statement at the time of the filing of this report; such pro forma information will be filed within sixty days of the due date of this report.

C. EXHIBITS

- 10.1 Paradise RV Resort Purchase and Sale Agreement
- 10.2 Paradise RV Resort Amendment to Purchase and Sale Agreement
- 10.3 Assignment and Assumption of Purchase and Sale Agreement
- 10.4 Diversified Investments Portfolio Purchase and Sale Agreement
- 10.5 Diversified Investments Portfolio First Amendment to Purchase and Sale Agreement
- 10.6 Diversified Investments Portfolio Second Amendment to Purchase and Sale Agreement
- 10.7 Diversified Investments Portfolio Third Amendment to Purchase and Sale Agreement
- 10.8 Diversified Investments Portfolio Fourth Amendment to Purchase and Sale Agreement
- 10.9 Diversified Investments Portfolio Fifth Amendment to Purchase and Sale Agreement

SIGNATURE

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 thereunto duly authorized.

MANUFACTURED HOME COMMUNITIES, INC.

BY: /s/ Michael B. Berman  
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Michael B. Berman  
Vice President, Treasurer  
and Chief Financial Officer

DATE: March 2, 2004



RECREATIONAL VEHICLE PARK  
PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is made this 9th day of October, 2003 by and among:

SELLER: Paradise RV Resort - Neil Spizizen, General Partner  
31150 Northwestern Hwy, Suite 200  
Farmington Hills, MI 48334  
(hereinafter referred to as "Seller")

BUYER: Diversified Investments Services, LLC,  
a Delaware limited liability company  
c/o Barry L. Haase, Manager  
(hereinafter referred to as "Buyer")

## WITNESSETH:

WHEREAS, Seller is the current owner and holder of the Property (as hereinafter defined) which is currently being operated as a Recreational Vehicle Park and which is commonly known as the "Paradise RV Resort" and Seller desires to sell the Property (as hereinafter defined) to Buyer, and Buyer desires to purchase the Property (as hereinafter defined) from Seller upon and subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, together with other valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Seller agrees to sell and Buyer agrees to buy the Property (as hereinafter defined) on and under the terms and conditions herein set forth.

1. RECITALS. The above recitals are true and correct and are incorporated herein by reference.

2. PROPERTY. Seller agrees to sell and convey and Buyer agrees to purchase and accept the following described property (collectively, the "Property"):

(a) Land. The fee simple estate in and to that certain tract of real estate located in Sun City, Arizona, as more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, together with all tenements, hereditaments, appurtenances, rights, privileges and easements pertaining thereto, including, without limitation, all right, title and interest of Seller therein, and all right, title and interest of Seller, if any, in and to any street or road abutting or adjoining the aforementioned land to the center line thereof (collectively, the "Land"); and

(b) Improvements. All buildings, structures, fixtures, facilities, and other improvements of every kind and description in, on, over and under the Land (excluding any mobile homes owned by tenants of the park), including, without limitation, 950 zoned, licensed and permitted mobile home rental spaces, any and all plumbing, air-conditioning, heating, ventilating, mechanical, electrical and other utility systems, recreational facilities, signs, light fixtures, parking lots, landscaping and security devices (collectively, the "Improvements") (the Land and Improvements are sometimes hereinafter collectively referred to as the "Real Property"); and

(c) Personal Property. All furniture, furnishings, equipment, appliances, supplies, inventory and other tangible personal property installed in, affixed to or placed upon the Real Property, which are owned by Seller and which are used or useful, directly or indirectly, in connection with the operation of the Real Property as a Recreational Vehicle Park, including, without limitation, the items described in the Schedule of Personal Property, attached hereto as Exhibit "B" and incorporated herein by reference (collectively, the "Personal Property"); and

(d) Intangibles; Leases. All right, title and interest of Seller in and to the intangible personal property used or useful, directly or indirectly, in connection with or arising from the operation of the Real Property as a Recreational Vehicle Park, including, without limitation, all rights and interests Seller may have to any warranties made in favor of Seller related to the Real Property, the Personal Property or the construction thereof, all contract rights, and all tenant leases demising all or portions of the Real Property (including any security deposits or advance rent paid thereunder) (collectively, the "Leases") and any possessory liens inuring to the landlord by application of Arizona law; and

(e) Name. All right, title and interest to Seller, if any, in and to the name "Paradise RV Resort", together with all logos or other identification, signs or symbols, if any, associated or used in connection with such name (collectively, the "Name"); and

(f) Licenses; Permits. All licenses, permits, authorizations, consents, variances, waivers, approvals, and the like, from any federal, state, county, municipal or any other governmental or a quasi-governmental body, agency, department, board commission, bureau or other entity or instrumentality affecting the operation of the Real Property as a Recreational Vehicle Park (collectively, the "Licenses and Permits"); and

(g) Plans and Reports. To the extent the following are in Seller's possession, all plans and specifications, surveys, engineering reports, studies and similar documents prepared for or used in connection with the Real Property in its development and operation as a Recreational Vehicle Park (collectively, the "Plans and Reports").

3. PURCHASE PRICE. Subject to credits, adjustments and prorations as provided herein, the purchase price for the Property shall be TWENTY FIVE MILLION AND NO/100 DOLLARS (\$25,000,000.00) (the "Purchase Price") which shall be payable as follows:

(a) Initial Earnest Money Deposit. As an initial earnest money deposit (the "Initial Deposit"), Buyer shall, within two (2) Business Days (as hereinafter defined) after the Effective Date of this Agreement, deposit with First American Title ("Escrow Agent") the sum of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) which sum shall be held in an interest bearing account for the benefit of Buyer and credited toward the Purchase Price of the Property at closing or otherwise disbursed by Escrow Agent in accordance with the terms of this Agreement.

(b) Additional Earnest Money Deposit. As an additional earnest money deposit (the "Additional Deposit") Buyer shall, within two (2) Business Days (as hereinafter defined) after the expiration of the Inspection Period (as hereinafter defined), provided Buyer has not terminated this Agreement prior to the expiration of the Inspection Period, deposit with Escrow Agent the additional sum of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00) which sum shall be deposited in the same interest bearing account as the Initial Deposit and credited toward the Purchase Price of the Property at closing. The Initial Deposit and the Additional Deposit shall hereinafter collectively be referred to as the "Earnest Money Deposit" which shall become non-refundable upon expiration of the Inspection Period, but shall be fully refundable at Buyer's request prior thereto or as otherwise provided herein including, without limitation, Seller's failure to perform any covenants or obligations of Seller hereunder and a failure of a condition precedent to Buyer's obligation to close as set forth herein. The Earnest Money Deposit will be held in an interest bearing escrow account with the interest credited to Buyer. Should Buyer not make any part of the Earnest Money Deposit or withdraw the Earnest Money Deposit during the Inspection Period, this Agreement shall be null and void, and the parties to this Agreement shall have no further obligations to each other.

(c) Management Fee. Buyer shall pay to NEIL SPIZIZEN an amount equal to three percent (3%) of collected revenues for the time period from the Closing Date through April 30, 2005. Such Management Fee will be paid to NEIL SPIZIZEN monthly.

(d) Cash. At closing, Buyer shall pay or cause to be paid (i.e., by a third party lender) to Seller the balance of the Purchase Price, less any credits, adjustments or prorations due to Buyer as provided herein, plus any additional consideration due to Seller as provided for hereinafter, payable by locally drawn cashier's check or Federal Reserve Bank wire transfer of U.S. Funds.

4. INSPECTION PERIOD. Buyer shall have the right, for a period of forty-five (45) days from and after the Effective Date of this Agreement (the "Inspection Period"), to obtain and review information concerning the Property, to review and analyze the various due diligence items to be provided to Buyer by Seller as set forth below, to make such physical, zoning, land use, environmental and other examinations, inspections and investigations of the Property or the use and operation thereof which Buyer, in Buyer's sole discretion, may determine to make, and to decide whether the same are satisfactory to Buyer. All expenses of the inspection shall be paid by Buyer. Buyer shall have the right, in its sole and arbitrary discretion, to terminate this Agreement prior to the expiration of the Inspection Period by providing written notice to Seller of its election to terminate. If Buyer has not given written notice to Seller terminating this transaction prior to 5:00 P.M. EST on the expiration date of the Inspection Period, Buyer shall be deemed to have

approved the inspection and to have waived this contingency. If Buyer does terminate this transaction, in its sole and arbitrary discretion, prior to the expiration of the Inspection Period, this Agreement shall terminate and be deemed null and void, and the Initial Deposit together with any and all interest shall be returned to Buyer, and the parties to this Agreement shall have no further obligation to each other.

Attached hereto as Exhibit "C" and incorporated herein by reference is a list of the preliminary items of due diligence (the "Preliminary Items of Due Diligence") to be provided by Seller to Buyer, which Seller shall provide to Buyer within five (5) days after the Effective Date of this Agreement. During the Inspection Period, Buyer shall have the option to request any additional specific items or documentation which may be reasonably required by Buyer to perform its due diligence by giving Seller written notice of such request. Subject to Seller's warranties and representations set forth in this Agreement, Buyer shall rely solely on its own investigations, including but not limited to environmental studies, termite inspections and engineering reports, and an accounting review of the books and records of the Property in determining the physical and financial condition of the Property.

5. RIGHT OF ENTRY. Seller hereby grants to Buyer and Buyer's agents, employees, contractors, and representatives (collectively, the "Buyer's Investigators"), from and after the Effective Date of this Agreement through the Closing Date (as hereinafter defined), unless this Agreement is sooner terminated pursuant to the terms set forth herein, a right of entry upon the Real Property and a right of inspection of the Real Property and all records associated therewith for the purpose of physically inspecting the Property, conducting environmental, soil, engineering, structural and other tests as Buyer may deem necessary, inspecting the mechanical, plumbing and utility systems located on the Property, and ascertaining the working order and condition of the Property (including all Leases, books and financial records pertaining to the Recreational Vehicle Park), provided said right is exercised during normal business hours, upon prior notice to Seller, and in a reasonable manner which does not interfere with Seller's operation of the Property. Furthermore, Buyer shall have the right to meet with the managers, any park employees, including, without limitation, assistant managers, maintenance personnel, marketing personnel, and brokers, tenants and the homeowners' association (if one exists) at any time prior to the Closing Date (as hereinafter defined). All expenses of the inspection shall be paid by Buyer. Buyer shall indemnify, defend and hold harmless Seller from and against all liabilities, damages, claims, costs, fees and expenses whatsoever (including reasonable attorney's fees and costs at trial and all appellate levels) arising out of or resulting from any such inspection or investigation. Notwithstanding anything contained herein to the contrary, the provisions of this paragraph shall survive the closing and any cancellation or termination of this Agreement.

6. REPRESENTATIONS. Seller makes the following representations, all of which shall be true and correct as of the Effective Date of this Agreement and as of the Closing Date (as hereinafter defined):

(a) Seller is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Arizona. Seller has full power to own the Property and to conduct its present business from the Real Property.

(b) Seller has good, marketable and insurable title to the Real Property and has good and marketable title to all other assets that comprise or make-up the Property being sold hereunder, all of which free and clear of all mortgages, liens, security interests, charges, claims, restrictions and other encumbrances of every kind except as otherwise specifically provided for in this Agreement or as will be discharged at or before closing, and there will be no restrictions on the transfer of the Property at the time of closing.

(c) There is no pending or to the best of Seller's knowledge threatened condemnation or similar proceeding affecting the Real Property or any part thereof and Seller has no knowledge that any such proceeding is presently contemplated and the Property is free from damage or destruction due to any casualty loss.

(d) There are no claims, actions, suits or other legal or administrative proceedings, including, without limitation, bankruptcy proceedings, pending or, to the best of Seller's knowledge, threatened, against or involving Seller or the Property which could affect the consummation of the transaction contemplated hereby, and Seller is not aware of any facts which might result in any such action, suit or other proceeding, except as set forth on Exhibit "D" attached hereto and incorporated herein by reference. There are no judgments, orders or stipulations against Seller or the Property, except as set forth on Exhibit "D" attached hereto and incorporated herein by this reference.

(e) There are no special or other assessments levied against or relating to the Property and Seller does not know of any proposed assessments.

(f) No rents or other deposits due under the Leases are

or will on the Closing Date (as hereinafter defined) be held by Seller, except security deposits and prepaid rents as reflected on the rent rolls provided by Seller to Buyer under this Agreement; there are no commissions or other fees payable to any person, entity or agent on the rentals collected or to be collected under any Leases encumbering the Property; that no tenant under any Leases shall be entitled to any rebates, rent concessions or free rent which will survive the Closing Date except as reflected on the rent rolls provided by Seller to Buyer

under this Agreement; that no commitments have been made to any tenant under any Leases for repairs or improvements; no tenant has an option to purchase any part of the Property; Seller is the landlord under each Lease and has the right to assign same to Buyer; and that no rents due under any of the Leases have been assigned, hypothecated or encumbered other than to the holders of the indebtedness to be released at closing.

(g) Seller is not subject to any charter, by-law, rule, agreement or restriction of any kind or character which would prevent the consummation of this Agreement and the transaction contemplated hereby. Seller has full power and authority to execute this Agreement and all documents necessary to accomplish the sale contemplated herein, fully perform hereunder and to consummate the transaction contemplated hereby without the consent or joinder of any other party.

(h) To the best of Seller's knowledge, Seller has complied with all applicable laws, ordinances, regulations, orders, rules and restrictions pertaining to or affecting the ownership and operation of the Property and the sale thereof contemplated by this Agreement.

(k) To the best of Seller's knowledge, Seller has obtained and kept in good standing all governmental permits, licenses and approvals necessary for the operation of the Property, including, as applicable, all health permits, Department of Environmental Protection permits and HRS permits, and Seller has not received notice of any violations thereunder.

(l) All utilities, including, without limitation, water, electricity, telephone, cable, storm sewer and sanitary sewer services and facilities have been extended to the Real Property and are available to the Real Property. Water and sewer services are provided to the Real Property by the municipality in which the Property is located and all costs of design, permitting and installation of water and sewer facilities and connection fees have been paid and Seller is current in its obligations to such municipality for water and sewer services.

(m) The use of the Property as a Recreational Vehicle Park is permitted under the current zoning classification for the Property. All permits associated with the use of the Real Property as a Recreational Vehicle Park have been obtained and are in good standing. The Real Property contains and is zoned, licensed and permitted to contain and operate a Recreational Vehicle Park with 950 spaces, which spaces are all equipped with full utility services and are properly spaced within set back requirements.

(n) Seller has the right to assign the Name by which the Property is commonly known and to use that Name in the operation of the Property. Seller has received no notice objecting to the use of the Name for the Property, but Seller otherwise makes no warranty or representation as to Buyer's ability to use or to continue to use the Name.

(o) The Personal Property is in good working condition, and at the time of closing will be in good working order; and the Personal Property is free and clear of all liens and encumbrances, except as otherwise provided in this Agreement.

(p) All sales tax due in connection with the operation of the Property as a Recreational Vehicle Park, if any, have been paid by Seller to the State of Arizona Department of Revenue.

(q) Seller has no knowledge of latent defects or adverse facts that exist with respect to the physical condition of the Property which have not been specifically disclosed in writing to Buyer.

(r) To the best of Seller's knowledge, neither this Agreement nor any Exhibit nor any written statement or document furnished or to be furnished by Seller to Buyer in connection with the transactions contemplated by this Agreement contains or will contain any untrue statement of material fact or omits or will omit any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading,

(s) The financial information contained in the operating statements identified in Exhibit "C" attached hereto is substantially correct. Seller has not been notified of any material increases in expenses that are not reflected in such statements.

The foregoing representations and warranties shall survive the Closing Date (as hereinafter defined) for one year.



7. SELLER'S COVENANTS.

(a) From the date of this Agreement to Closing Date (as hereinafter defined), Seller shall conduct its business involving the Property in the ordinary course, and during said period will:

(i) Operate the Property in a prudent manner and continue its advertising commitments and marketing programs, if any. It is the intention of the parties that the general operation of the Property shall not be changed between the Effective Date of this Agreement to the Closing Date (as hereinafter defined), except as set forth herein or as otherwise agreed upon between the Buyer and the Seller;

(ii) Refrain from entering into any contracts or other commitments with respect to the operation of the Property that extend more than 30 days beyond the Closing Date, other than in the ordinary course of business, without the prior written consent of Buyer, which consent will not be unreasonably withheld. Rental agreements with prospective new residents of the Property entered into at the prevailing rental rate and terms without concession are excluded from this requirement;

(iii) Keep in effect Seller's existing policies of public liability and hazard and extended coverage insurance insuring the Property which costs, if the policies are assumable by Buyer, shall be prorated at the Closing Date (as hereinafter defined);

(iiii) Promptly comply with all notices of violation of laws or municipal ordinances, regulations, orders or requirements of departments of housing, building, fire, labor, health, or other state, city or municipal departments or other governmental authorities having jurisdiction against or affecting the Property or the use or operation thereof;

(iv) Provide the annual rent increase notice for the Property due in the normal course of business for a lot rent increase for each site in an amount approved by the Buyer;

(v) Provide the updated items of Due Diligence on a timely basis pursuant to the terms of this Agreement and provide the most recent financial information or other materials or documents during the time period from the Effective Date of this Agreement until the Closing Date (as hereinafter defined), including, without limitation, a certified monthly rent roll, a certified monthly and year-to-date operating statement and other items which may be reasonably requested from time to time; and

(b) Commencing as of the Effective Date of this Agreement and continuing until the Closing Date (as hereinafter defined), Seller shall: (i) not take any action or fail to take any action which would cause any of the representations or warranties made by Seller under this Agreement to be in any way not substantially true, complete and accurate; (ii) not perform any act or permit any act to be performed that may cause material damage, waste or destruction to the Property; and (iii) comply with all federal, state and municipal laws, statutes, ordinances and orders relating to the Property.

8. TITLE INSURANCE.

(a) The Real Property shall be conveyed to Buyer or an assignee of Buyer as may be permitted by this Agreement by a recordable warranty deed, and shall be subject only to those exceptions to title and those covenants, conditions and restrictions of record which are reflected in the Commitment (as hereinafter defined) to which Buyer has not objected within the time frame set forth in paragraph 8(c) below, at which time such matters shall become Permitted Exceptions as set forth in paragraph 8(c) below. Without limiting the generality of the foregoing, unless specifically agreed in writing by Buyer, the Real Property shall not be subject to any (i) mortgage, deed to secure debt, deed of trust, security agreement, judgment, lien or claim of lien, or any other title exception or defect that is monetary in nature, or (ii) any easement, restriction, zoning, prohibition, or other requirement of governmental authorities that would prevent the use of the Real Property as a Recreational Vehicle Park with associated facilities. The title to the Real Property shall be subject to current and future ad valorem property taxes which are not yet due and payable.

(b) Within fifteen (15) days after the Effective Date of this Agreement, the Seller shall, at Seller's sole cost and expense, deliver, or cause to be delivered to Buyer and Buyer's attorney, an ALTA Form B Commitment for an owner's title insurance policy (the "Commitment") issued by a Arizona licensed title insurer (the "Title Company") acceptable to Buyer and Buyer's attorney, showing marketable fee simple title to the Land vested in Seller. The



Commitment shall be accompanied by the best copies available from the Title Company of all documents of record referred to in the Commitment. The Commitment shall describe the Land, and such legal description shall be incorporated into this Agreement and shall be used in all closing documents

(unless a survey shows a different legal description); shall list Buyer as the prospective named insured; and shall show as the policy amount the Purchase Price.

(c) Buyer shall within ten (10) days after Buyer's receipt of the Commitment examine the Commitment and notify Seller in writing of those particular liens, encumbrances, exceptions, qualifications or defects listed in the Commitment, which are not acceptable to Buyer (any such liens, encumbrances, exceptions, qualifications or defects are collectively, the "Title Defects"). If Buyer fails to provide Seller with timely notice of the existence of any Title Defects within such ten (10) day period, then, for all purposes of this Agreement, Buyer shall be deemed to have accepted title in the condition described in the Commitment, and any and all title encumbrances, exceptions or other matters, which are set forth in the Commitment, and to which Buyer does not object during such period, shall be deemed to be "Permitted Exceptions". With regard to Title Defects to which Buyer does object to during said ten (10) day period, other than the liens or other exceptions to be discharged at or before the closing, Seller shall have thirty (30) days from the date Seller receives written notice from Buyer within which to cure, satisfy or remove such Title Defects. The Seller agrees that it will use its best efforts to satisfy or eliminate such Title Defects within the thirty (30) days provided therefor.

If Seller, after using its best efforts, shall fail to cure or eliminate the Title Defects within the thirty (30) day period, then Seller shall promptly provide written notice to Buyer of the date Seller reasonably expects to cure or eliminate the Title Defects or that Seller does not reasonably expect to cure or eliminate the Title Defects. Within fifteen (15) days following its receipt of such written notice from Seller, Buyer shall deliver to Seller written notice of Buyer's election to either (a) terminate this Agreement by reason and on account of the existence of such uncured Title Defects, (b) extend the time period for Seller to eliminate the Title Defects for no more than thirty (30) additional days, or (c) waive the existence of the uncured Title Defects and agree in writing to close its purchase of the Property and thereby accept a conveyance of the title to the Real Property subject to and notwithstanding the existence of Title Defects and without any reduction of the Purchase Price on account thereof, at which time the Title Defects shall be deemed Permitted Exceptions. In the event that Buyer elects to terminate this Agreement due to the existence of uncured Title Defects by giving written notice of that fact to Seller, Buyer shall be entitled to a return of the Earnest Money Deposit and Extension Fee, if any, and all interest earned thereon, and thereafter, all rights, obligations, and liabilities of the parties under this Agreement shall cease, terminate and be null and void. If Seller does so cure or satisfy any Title Defect, within the time provided, then this Agreement shall continue in effect. Seller agrees not to further adversely alter or encumber in any way the title to the Property after the Effective Date of this Agreement.

(d) An agent or representative of the Title Company shall be in attendance at the closing and be in a position to mark-up the Commitment as may be reasonably requested by Buyer or Buyer's attorney, to commit to issue the title policy pursuant to the terms of marked-up Commitment upon recording the appropriate documents, to insure that the Real Property free and clear of all exceptions to title other than the Permitted Exceptions.

9. SURVEY. Within five (5) days after the Effective Date of this Agreement, Seller shall deliver to Buyer a copy of Seller's most recent survey of the Real Property. Prior to expiration of the Inspection Period Buyer may, at its sole cost and expense, elect to obtain a current survey of the Real Property. The survey shall be prepared by a registered and/or licensed land surveyor in Arizona, shall: (i) meet no less than the minimum technical standards of the Arizona Administrative Code for land surveys and; (ii) shall be certified to Seller, Buyer, Escrow Agent, Buyer's chosen lender, Buyer's counsel, the Title Company and any other person or entity designated by Buyer; and (iii) shall otherwise be in form acceptable to Buyer and the Title Company. The legal description of the Real Property shall be printed on the survey. In the event the survey indicates any encroachments onto or off of the Real Property, overlaps, gaps or other matters evidencing claims or potential claims of third parties or otherwise adversely affecting title to the Real Property, Buyer shall notify Seller in writing on or before the expiration of the Inspection Period and the same shall thereupon be treated as Title Defects to which the provisions of paragraph 8(c) of this Agreement regarding notice, opportunity to cure and right to terminate or waive relating to Title Defects shall apply. With regard to items or matters reflected in the survey to which the Buyer does not object prior to the end of the Inspection Period, such items or matters shall be deemed to be acceptable to Buyer. Upon the delivery of a final survey to the Seller and the Title Company, Seller shall cause the Title Company to limit the survey exceptions on the owner's title insurance policy to be issued in accordance with the Commitment to matters actually shown on the survey and shall delete all standard exceptions pertaining to any survey

matters.

10. CONDITIONS PRECEDENT. The following are conditions precedent to Buyer's obligation to close and consummate the transaction contemplated by this Agreement. Buyer and only Buyer may waive one or more of these conditions, in Buyer's sole discretion:

(a) Buyer shall not have given written notice to Seller pursuant to paragraph 4 of this Agreement terminating the Agreement prior to the expiration of the Inspection Period.

(b) Seller shall have fully performed each undertaking, covenant and agreement to perform by Seller under this Agreement within the time period provided herein, including, without limitation, delivery of all items set forth in paragraph 4 above.

(c) All of Seller's warranties and representations made in this Agreement are true and correct as of the Closing Date (as hereinafter defined).

(d) The Property shall not have been materially affected by any moratorium, legislative or regulatory change, or any flood, accident, condemnation or other material adverse event.

In the event that any one or more of the above conditions is not satisfied or waived by Buyer, at Buyer's sole discretion, at or prior to the closing, Buyer may terminate this Agreement by giving written notice to Seller and the Earnest Money Deposit and Extension Fee, if any, shall be returned to Buyer together with any and all interest accrued thereon.

11. CLOSING. The sale and purchase transaction contemplated by this Agreement shall be closed and consummated sixty (60) days after the expiration of the Inspection Period (the "Closing Date"), subject to the curative period(s) set forth in paragraphs 8(c) and 9 above; provided, however, Buyer may elect to accelerate the Closing Date upon the delivery of fifteen (15) days prior written notice to Seller. Closing shall be at the offices of Seller's counsel or, at the option of the parties, may be effected through the mail as coordinated by counsel for Seller and Buyer. At closing, Seller and, as applicable, Buyer shall execute and deliver the following documents in form acceptable to Buyer and Seller or undertake the following:

(a) All consents, authorizations, certifications, resolutions and approvals necessary to evidence both the Seller's and Buyer's authority to enter into and consummate the transactions contemplated by this Agreement.

(b) Special warranty deed from Seller to Buyer conveying title to the Real Property to Buyer free and clear of all liens, encumbrances and matters other than the Permitted Exceptions.

(c) An endorsement to the Commitment deleting the Schedule B, Part I requirements, except those pertaining to Buyer, unless Buyer provides the documentation sufficient to do so, and the standard exceptions on Schedule B, Part II, except the survey exceptions (unless Buyer furnishes a current survey sufficient to do so).

(d) Bill of Sale from Seller to Buyer transferring the Personal Property free and clear of all liens and encumbrances, together with the original Motor Vehicle Certificate of Title (properly endorsed and lien free) for each mobile home unit and motor vehicle purchased by Buyer pursuant to this Agreement, if any.

(e) Affidavit of No Liens by Seller.

(f) Affidavit of Non-Foreign Status by Seller.

(g) Certified rent roll in the form of Exhibit "E" attached hereto and incorporated herein by reference dated and certified by Seller to Buyer as being a true and accurate rent roll of the Real Property as of the Closing Date.

(h) Tenant security deposits held by Seller as of the Closing Date.

(i) Assignment from Seller to Buyer assigning all of Seller's right, title and interest, in and to the Leases, together with the originals of such Leases, the Name, all Licenses and Permits relating to the operation of the Property, the telephone numbers used on the Property by Seller, if allowed by the telephone company, the Service Contracts as reflected on Exhibit "F" attached hereto and incorporated herein by this reference, and other items required to be assigned as set forth in this Agreement, free and clear of all liens and encumbrances except for the matters permitted in this Agreement, all of which shall be assumed by Buyer effective from and after the Closing Date. Seller shall undertake all actions, and execute all forms, required by all governmental authorities and contract vendors to effect this assignment. The assignment shall contain mutual indemnification provisions wherein Seller shall indemnify Buyer from all loss, cost or expense in connection with any claims, demands, actions or causes of action (the "Claims") asserted against Buyer or the Property arising out of the Leases or the Service Contracts prior to the

closing, and Buyer shall indemnify Seller from all loss, cost or expenses in connection with any Claims asserted against Seller arising out of the Leases or the Service Contracts after the closing.

(j) Assignment by Seller, of all currently existing and effective claims, guaranties, warranties, indemnifications and all other rights, if any, which Seller may have against suppliers, laborers, material men, contractors, or sub-contractors arising out of or in connection with the installation, construction and maintenance of the Property.

(k) Certification from Seller that all representations and warranties of Seller which are contained in this Agreement are true, correct and complete as of the Closing Date;

(l) Sale Settlement (i.e., Closing) Statement by Seller and Buyer.

(m) Such other documents as are reasonably necessary to close and consummate the purchase and sale transaction contemplated by this Agreement and as may be required by the lender for the Buyer.

(n) Seller shall deliver to Buyer all existing Plans and Reports relating to the improvements located upon the Property which are in Seller's possession or reasonably accessible to Seller (to the extent they exist).

(o) Seller shall deliver and assign to Buyer all of Seller's right, title and interest, if any, in and to all Licenses and Permits, certificates of occupancy, mobile home titles (for the office unit) and such other comparable certificates or documents issued by the appropriate governmental authorities with respect to the Property or any part thereof which are legally assignable by Seller, if any.

(p) Buyer shall deliver to Seller the adjusted cash portion of the Purchase Price and authorize Escrow Agent's delivery of the Earnest Money Deposit and Extension Fee, if any, to Seller.

12. CLOSING COSTS. Seller shall pay for documentary stamps on the warranty deed, for all costs associated with the issuance of the Commitment and final title insurance policy, including, without limitation, any premiums for the title policy, any costs and expenses associated with any corrective documents required in order to make the title to the Property marketable and insurable and shall pay the costs for recording the warranty deed. Buyer shall pay for all of its financing costs (including all mortgagee title insurance endorsements and requirements provided such charges are based on simultaneous issue rates), the survey and all costs associated with Buyer's inspection of the Property. Each party shall bear its own attorneys' fees and other professional costs, except as otherwise provided for herein.

13. PRORATIONS. Except as otherwise set forth in this Agreement, the following items shall be prorated as of the Closing Date so that Seller has the benefit of all income and the burden of all expenses up to and including the Closing Date and Buyer has the benefit of all income and the burden of all expenses after the Closing Date (the prorations and credits shall be applied to the cash due at closing):

(a) Real estate and personal property taxes shall be prorated based on the current year's tax taking into account the maximum available discount. If the closing takes place and the current year's millage is not fixed and the current year's assessment is available, taxes shall be prorated based upon such assessment and the prior year's millage. If the current year's assessment is not available, then taxes shall be prorated on the prior year's tax taking into account the maximum available discount. The parties agree to re-prorate the taxes at such time as the exact amount of such taxes for year of the closing become known.

(b) All rents (subject to the terms set forth below), other income, utilities and all other operation expenses with respect to the Property, and other assessments with respect to the Property for the year in which the closing occurs, shall be prorated as of the Closing Date. If the closing shall occur before all rents from the Property have actually been paid for the month in which the closing occurs, only the rents actually received by Seller will be prorated at closing. Subsequent to the closing, if any such rents are actually received by either Buyer or Seller, immediately upon its receipt of such rents, Buyer or Seller shall pay to the other its proportionate share thereof for such month. Buyer shall pay over to Seller any such rents not apportioned at the closing received by Buyer, for the benefit of Seller and shall give to Seller a monthly accounting as to the delinquent rents outstanding until all delinquent rents at closing are paid or twelve months from the closing, whichever shall last occur. Provided, however, with regard to delinquent rents, if any, Buyer shall not be held responsible for and Buyer shall not be required to institute any proceeding whatsoever to collect such

delinquent rents. All rents collected after closing which pertain to a tenant which may owe delinquent rents to Seller shall be first applied to rents due to Buyer and then to rents due for periods prior to the closing which are due to Seller; which shall be promptly remitted to Seller by Buyer. Upon written request Seller shall deliver to Buyer copies of such statements, invoices bills and receipts as shall be requested by Buyer to enable Buyer to verify the accuracy of the amounts of any prorations made pursuant to this paragraph.

(c) Seller shall, where practical, cause utility meters to be read and obtain final invoices through and including the Closing Date . Where this is not practical, the parties shall assume equal per diem use over the period of the billing, and adjustment shall be made accordingly. Utility deposits, if any, shall be retained by Seller. Buyer shall replace any utility deposits or utility bonds outstanding with regard to the utilities serving the Property as maybe required.

(d) Any Service Contracts, including prepaid items or licenses to the extent they are assumable (equipment leases, maintenance contracts, etc,)

The agreements of Seller and Buyer set forth in this paragraph shall survive the closing.

14. PERSONAL PROPERTY. Seller represents that it is the owner of the Personal Property, including, without limitation, all of the items described in the Schedule of Personal Property attached hereto as Exhibit "B" and incorporated herein by reference, including, without limitation, the park office/mobile home located on the Real Property, free and clear of any and all liens and encumbrances other than mortgages, security agreements and financing statements which are to be released or satisfied of record at or prior to the closing. Seller agrees that it shall not remove from the Real Property any of the Personal Property currently used in connection with the operation of the Real Property as a rental mobile home community except as may be required in the ordinary course of business for repair or replacement. Any such replacement of an item of Personal Property pending closing hereunder shall be with a similar item or items of Personal Property of equal quality and quantity and free and clear of any liens and encumbrances other than mortgages, security agreements and financing statements to be released or satisfied of record at or prior to the closing. Buyer shall have the right at any time prior to the expiration of the Inspection Period, at its expense, to take and make a physical inventory of the Personal Property located on the Real Property provided that the time and the taking of such inventory is first coordinated with Seller. Seller shall have the right to have a representative of Seller present at the Real Property as and when such inventory of the Personal Property is taken by Buyer. Upon approval by Seller of the inventory of Personal Property, if any, so taken by Buyer, such inventory shall be substituted for Exhibit "B" attached hereto and such inventory shall be attached as exhibits to the Bill of Sale to be executed by Seller to and in favor of Buyer at the time of closing. Seller will deliver to Buyer said Bill of Sale, certificates of title or full warranties of title, for all such Personal Property included in the sale, including the park office mobile/home. Any and all mobile homes owned by the Seller will become part of the inventory.

15. SUPPLIES. Inventories of supplies, including but not limited to paint, toilet tissue, soap, paper towels and all cleaning materials, if any, shall be transferred to Buyer at no additional cost at the time of the closing and shall be covered by the Bill of Sale.

16. LEASES, RENTS AND TENANTS. Pending the closing Seller agrees not to (except in the ordinary course of business with normal and customary terms): (a) terminate any Lease affecting the Property unless the tenant is in default thereunder, (b) amend or modify any Lease or (c) enter into any new Lease upon the vacation or eviction of any tenant, without in any such case, the prior written consent of Buyer not to be unreasonably withheld; provided, however, Seller shall have the right to execute any new Leases under the same terms and conditions as currently prevail on the Property without obtaining Buyer's approval on any such Lease. Seller shall comply with its obligations under each Lease affecting the Property and shall immediately notify Buyer of any default of the material terms and conditions of any Lease. Seller agrees to have available for Buyer's review at the office located on the Real Property true copies of all existing written Leases affecting the Property within one (1) day of the Effective Date of this Agreement. Furthermore, Seller hereby agrees to provide Buyer with updated certified rent rolls in the form attached hereto as Exhibit "E" and incorporated herein by reference, on or before the tenth (10th) day of each month during the term of this Agreement.

17. CONDEMNATION. If prior to the Closing Date, all or any part of the Property is taken by any governmental authority under its power of eminent domain, Buyer shall have the option, to be exercised within ten (10) days after Buyer receives written notice from Seller of same:

(a) To take title to the Property at closing without any abatement or adjustment in the Purchase Price, in which event Seller shall unconditionally assign its rights in the condemnation award to Buyer (or Buyer shall receive the condemnation award from Seller if it has already been paid to Seller prior to closing); or



(b) To terminate this Agreement, whereupon the duties and obligations of each of the parties hereto shall end and Buyer shall be entitled to the prompt return from Escrow Agent of the Earnest Money Deposit and Extension Fee, if any, together with any interest earned thereon.

18. RISK OF LOSS. Risk of loss by damage or destruction to the Property prior to the Closing Date shall be borne by Seller. In the event of substantial damage (i.e., in an amount in excess of \$40,000) to said Property prior to the closing by fire or other casualty:

(c) Seller shall give prompt notice of such damage to Buyer;

(d) Seller shall furnish Buyer promptly with an estimate of the cost of the restoration, replacement or repair of such damage; and

(e) Buyer shall have the option to:

(i) terminate this Agreement and obtain the prompt return from Escrow Agent of the Earnest Money Deposit and Extension Fee, if any, together with any interest earned thereon; or

(ii) take title to the Property at closing without any abatement or adjustment in the Purchase Price, in which event Seller shall unconditionally assign its rights in any insurance proceeds to Buyer (or Buyer shall receive the insurance proceeds paid to Seller if they have already been paid prior to closing) after payment of any deductible to Buyer from Seller.

19. DEFAULT BY SELLER. In the event of a default by Seller under the terms of this Agreement, Buyer shall have the option, to be exercised in its sole discretion, to either: (a) obtain the prompt return from Escrow Agent of the Earnest Money Deposit and Extension Fee, if any, with interest (if any), together with any other amounts due and owing to Buyer pursuant to the terms of this Agreement, and thereafter terminate this Agreement; or (b) seek any and all other remedies available to Buyer under Arizona law, including without limitation, the right of specific performance.

20. DEFAULT BY BUYER. In the event of a default by Buyer under the terms of this Agreement and such default continues for a period of twenty one (21) days after written notice thereof from Seller to Buyer, Seller's sole right and exclusive remedy against Buyer shall be to obtain the Earnest Money Deposit and Extension Fee, if any as: (a) consideration for the execution of this Agreement; (b) as agreed on liquidated damages sustained by Seller because of such default by Buyer (the parties hereto agreeing that the retention of such funds shall not be deemed a penalty, and recognizing the impossibility of precisely ascertaining the amount of damages to Seller because of such default and hereby declaring and agreeing that the sum so retained is and represents the reasonable damages of Seller); (c) in full settlement of any claims of damages and in lieu of a specific performance by Seller against Buyer; and (d) in consideration for the full and absolute release of Buyer by Seller of any and all further obligations under this Agreement. In the event Buyer defaults hereunder, Buyer shall forthwith on demand by Seller return to Seller all documents relating to the Property, including Buyer's copy of this Agreement.

21. INDEMNIFICATION AND HOLD HARMLESS.

(f) In addition to any other indemnification, defense and hold harmless covenants of Seller which are contained herein, Seller shall indemnify, defend (with legal counsel satisfactory to Buyer) and hold Buyer harmless from and against any and all claims, demands, actions, causes of action, suits, judgments, debts, damages, losses, liabilities, costs and expenses (including, without limitation, attorneys' fees, cost of suit, cost of investigation), which Buyer may incur or sustain, or which may be asserted against Buyer, resulting from or arising out of any of the following: (i) the ownership and operation of the Real Property prior to the Closing Date; (ii) the injury or death to any person or damage to any personal property occurring on or about the Real Property prior to the Closing Date; (iii) any untrue representation, breach of warranty or nonfulfillment of any covenant or agreement by Seller contained herein or in any certificate, document or instrument delivered to Buyer pursuant to or in connection with this Agreement; (iv) any failure of Seller to retain, pay, perform, defend and discharge all of the liabilities, duties and obligations of Seller which are not expressly and specifically assumed by Buyer pursuant to this Agreement; (v) the employment or terminations thereof of any personnel of Seller; and, (vi) any failure of Seller to pay any taxes or other expenses which pertain to the Real Property and to the operation of the Real Property as a Recreational Vehicle Park prior to the Closing Date.

(g) In addition to any other indemnification, defense and hold harmless covenants of Buyer which are contained herein, Buyer shall indemnify, defend (with legal counsel satisfactory to Seller) and hold Seller harmless from and against any and all claims, demands, actions, causes of

action, suits, judgments, debts, damages, losses, liabilities, costs and expenses (including, without limitation, attorneys' fees, cost of suit, cost of investigation), which Seller may incur or sustain, or which may be asserted against Seller, resulting from or arising out of any of the following: (i) the ownership and operation of the Real Property after the Closing Date; (ii) the injury or death to any person or damage to any personal property occurring on or about the Real Property after the Closing Date; (iii) any failure of Buyer to retain, pay, perform, defend and discharge all of the liabilities, duties and

obligations of Seller which are expressly and specifically assumed by Buyer pursuant to this Agreement; and, (iv) any failure of Buyer to pay any taxes or other expenses which pertain to the Real Property and to the operation of the Real Property as a Recreational Vehicle Park after the Closing Date.

The foregoing provisions of this paragraph shall survive the closing.

22. ASSIGNMENT. Buyer shall have the right to assign this Agreement to entities whom Buyer controls or with whom Buyer has a business relationship.

23. MODIFICATIONS. The parties acknowledge that this Agreement (i) is the entire agreement between the parties with respect to the subject matter hereof; (ii) supersedes all prior negotiations or agreements between the parties; and (iii) cannot be modified except by written agreement executed by both parties.

24. ATTORNEYS' FEES. In the event of any disputes or claims between the parties arising out of this Agreement, or the collection of any funds due Buyer or Seller pursuant to this Agreement, the prevailing party shall be entitled to recover all costs incurred, including, without limitation, and reasonable attorneys' fees and expenses incurred. As used herein and throughout this Agreement, the term "attorneys' fees" shall be deemed to include all fees incurred whether by attorneys, paralegals, legal assistants or law clerks. Any claims or actions brought by either Buyer or Seller shall be brought against the business entities of the Buyer and Seller and not against the corporate officers, stockholders, representatives, agents, or employees of the Buyer or Seller.

25. ESCROW AGENT. The Escrow Agent shall deposit the Earnest Money Deposit and Extension Fee, if any, into an interest-bearing, money market account with a local bank upon execution and delivery of all forms (including a fully-executed IRS Form W-9) and necessary documents and to disburse said funds according to the terms of this Agreement. Escrow Agent shall notify the parties hereto of the date of deposit, name of institution and current interest rate within five (5) days of the date of the deposit. In the event of a breach of this Agreement by either Seller or Buyer, or if, in the sole discretion of the Escrow Agent, some doubt exists as to when, to whom or under what circumstances such Earnest Money Deposit and Extension Fee, if any, shall be disbursed hereunder, and the parties hereto are unable after ten (10) days' prior written notice thereof from Escrow Agent to agree and direct Escrow Agent, in writing, as to when, to whom or under what circumstances Escrow Agent shall disburse the same, Escrow Agent shall be entitled to interplead said Earnest Money Deposit into the Circuit Court of the county in which the Property is located, without further liability or responsibility on its part. Costs, expenses and attorneys' fees incurred by Escrow Agent in connection with any such interpleader may be deducted by Escrow Agent from the amount of the Deposit prior to its deposit into the registry of the Court. In any event, however, all parties agree that Escrow Agent shall have no liability or any further responsibility to any party or person whomsoever for any disbursement of the Earnest Money Deposit and Extension Fee, if any, made by Escrow Agent in good faith unless such disbursement shall constitute a willful breach of the duties and obligations of Escrow Agent under this Agreement or gross negligence on the part of Escrow Agent. The interest received on the Earnest Money Deposit and Extension Fee, if any, shall be applied to the account of Buyer at closing. Upon disbursing the Earnest Money Deposit and Extension Fee, if any, under the provisions of this Agreement, the Escrow Agent shall be released from all liability with respect to the Earnest Money Deposit and Extension Fee, if any, except for an accounting thereof. The Buyer and Seller, jointly and severally, agree to pay directly, or reimburse the Escrow Agent for any and all expenses incurred by the Escrow Agent in any such action. As between the Buyer and Seller, the non-prevailing party in any action pertaining to the Earnest Money Deposit and Extension fee, if any, shall be responsible for any and all expenses incurred by the Escrow Agent on any such action. Both Buyer and Seller, hereby acknowledge that the Escrow Agent is acting solely as a fiduciary to the parties. Seller hereby expressly acknowledges that Escrow Agent also serves as counsel to Buyer in connection with this Agreement and the transaction contemplated herein and Seller specifically acknowledges and agrees that the duties, as Escrow Agent, hereunder, shall not disqualify such law firm from presenting Buyer as Buyer's counsel in any matter which arises under or which is a result of this Agreement, including, without limitation, a dispute relating to the Earnest Money Deposit and Extension Fee, if any.

26. NOTICE. Any notice given hereunder shall be in writing and sent by telefax, registered or certified mail, return receipt requested, or by overnight delivery service with receipt required to be signed for to the following addresses:

If to the SELLER:

To: Paradise RV Resort, Limited - Neil Spizizen, General  
Partner

Address:  
Telephone:  
Fax:

With copies to attorney for Seller:

To:  
Address:  
  
Telephone:  
Fax:

If to the BUYER:

To: Diversified Investments Services  
c/o Barry L. Haase, Manager  
Address: 4340 East West Highway, Suite 206  
Bethesda, MD 20814  
Telephone: (800) 284-2795  
Fax: (301) 718-7907

With copies to Attorney for Buyer:

To: Jim Balogh  
1314 East Myrna Lane  
Mesa, AZ 85284  
480-755-7955  
480-755-4292 Fax

If to the Escrow Agent:

Carol Peterson  
First American Title Insurance Company  
Address: 4801 E. Washington, Ste. 110  
Phoenix, Arizona 85034  
Telephone: 602-685-7560  
Fax: 602-685-7580

Notice by fax shall be deemed to have been received on the date of transmission, so long as a certified or registered mailing or overnight delivery is forwarded to the party being noticed on the same day as the transmission. Notice by overnight delivery shall be deemed to have been received on the day of the delivery. Notice by mail shall be deemed to have been received three (3) days after being deposited in an official depository under the regular care and custody of the United States Mail, sent by registered or certified mail, return receipt requested, with postage prepaid. A time period in which a response to any notice, demand or request must be given pursuant to the terms of this Agreement, shall commence to run from the date of receipt. Rejection or other refusal to accept or the inability to deliver because of change in address of which no notice is given shall be deemed to be a receipt of the notice, demand and request. Either party may change the address for receiving notices, request, demands, or other communication by not less than three (3) days prior notice in according with this paragraph. Telephone numbers are provided for convenience only.

27. NO ASSUMPTION OF LIABILITIES. The parties acknowledge that this transaction contemplates only the sale and purchase of the Property and the permits and licenses relevant thereto. The parties do not intend that Buyer be deemed a successor of Seller with respect to any liabilities of Seller to any third parties. Accordingly, in addition to the other terms and conditions of this Agreement, Buyer shall neither assume nor be liable for any payments and benefits to past and/or present employees of Seller in connection with the business being conducted on or from the Property as may have accrued through the Closing Date, including, but not limited to, salaries, wages, commission, bonuses, vacation pay, health and welfare contributions, pensions, profit sharing, severance or termination pay, taxes or any other form of compensation or fringe benefit.

28. EXHIBITS. In the event that any exhibit which is referred to in this Agreement is not attached hereto at the time of execution of this Agreement by Seller and Buyer, Seller shall promptly cause any such missing exhibit to be prepared and submitted to Buyer for Buyer's approval within five (5) days from the Effective Date hereof. Upon approval of a given exhibit by Buyer, the same shall be incorporated into this Agreement by written amendment to this Agreement executed by Seller and Buyer.

29. CONSTRUCTION. This Agreement has been negotiated between the parties who are experienced in commercial real estate transactions. Accordingly, this Agreement shall not be construed against either party as the drafter of the Agreement in the event of any litigation with respect to it. This Agreement shall in all respects be interpreted, enforced and governed by and under the laws and judicial decisions of the State of Arizona.

30. ACCEPTANCE. Seller shall have until 5:00 P.M. (DST) on October 7, 2003 to accept this Agreement and require Buyer to submit the Initial Deposit for the Escrow Agent. In the event Seller fails to accept this Agreement as of that time and date, this Agreement shall be null and void and of no further effect.

31. VENUE. Venue for any legal proceeding hereunder shall be in the county in which the Property is located.

32. EFFECTIVE DATE. The term "Effective Date" as used herein, shall mean the date when the last one of Seller and Buyer has properly executed this Agreement as determined by the date set forth immediately below the respective signatures of Seller and Buyer.

33. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

34. FACSIMILE. An executed facsimile of this Agreement or any portion hereof, including the signature page of any party shall be deemed an original for all purposes.

35. 1031 EXCHANGE. Buyer and Seller understand that either party may designate the Property in connection with an exchange pursuant to the provisions of IRS Code Section 1031. In the event the Property is so designated and either party desires to utilize the Property for an exchange, Seller and Buyer shall cooperate with each other and with any lender/accommodator to achieve a successful exchange. Seller and Buyer shall indemnify each other from all loss, costs and expense incurred by reason of said exchange. This transaction is not contingent upon the success or failure of any such exchange. Buyer shall not be required to take title to other property involved in the exchange.

36. WAIVER.. The failure of either of the parties hereto in one or more instances to insist upon strict performance or observance of one or more of the covenants or conditions hereof, or to exercise any remedy, privilege, or option herein conferred upon or reserved to such party, shall not operate and not be construed as a relinquishment or waiver for the future of such covenant or condition or of the right to enforce the same or to exercise such privilege, option, or remedy, but the same shall continue in full force and effect.

37. CAPTIONS AND HEADINGS.. The captions appearing in this Agreement are inserted as a matter of convenience and for reference, and in no way affect this Agreement, or define, limit or describe its scope, intent, or any of its provisions.

38. BROKERS.

(h) Seller warrants and represents to Buyer that other than Devine Real Estate, Inc. and Desert Flower Realty of Arizona (the "Brokers") Seller has not employed or dealt with any broker, agent or sales consultant with respect to the purchase and sale of the Property as contemplated by this Agreement. Seller hereby acknowledges and agrees that Seller is solely responsible to pay the Brokers a real estate commission at the closing in an amount of 1.5% of the Purchase Price each to Devine Real Estate, Inc. and Desert Flower Realty of Arizona payable through the Closing Escrow and pursuant to separate agreement. Seller covenants and agrees to indemnify and hold harmless Buyer from and against any and all liability, costs, claims, demands, damages, actions, causes of action, suits and expense (including, but not limited to, attorneys' fees and costs and disbursements of litigation) Buyer shall ever suffer or incur, arising out of or in any way related to any claim or action by any broker, agent or sales consultant, including, without limitation, the Broker, claiming to have dealt with Seller, whether or not meritorious, for any commission or other compensation with respect to this Agreement or to the purchase and sale of the Property in accordance with this Agreement. The provisions of this paragraph shall survive the closing.

(i) Buyer warrants and represents to Seller that other than the Broker, Buyer has not employed or dealt with any broker, agent or sales consultant with respect to the purchase and sale of the Property as contemplated by this Agreement. Buyer covenants and agrees to indemnify and hold harmless

Seller from and against any and all liability, costs, claims, demands, damages, actions, causes of action, suits and expense (including, but not limited to, attorneys' fees and costs and disbursements of litigation) Seller shall ever suffer or incur, arising out of or in any way related to any claim or action by any broker, agent or sales consultant, other than the Broker, claiming to have dealt with Buyer, whether or not meritorious, for any commission or other compensation with



respect to this Agreement or to the purchase and sale of the Property in accordance with this Agreement. The provisions of this paragraph shall survive the closing.

39. BENEFIT; BINDING EFFECT. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto, their respective heirs, personal representatives, successors and assigns.

40. INVALID PROVISION. The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

41. BUSINESS DAY. The term "Business Day," as used herein, means any day which is not a Saturday or Sunday and is not a federal or state holiday in the State of Arizona. Any reference in this Agreement to time periods of less than six (6) days shall, in the computation thereof, exclude any day that is not a Business Day. Any time period provided herein which ends on a day that is not a Business Day shall extend to 5:00 p.m. of the next Business Day.

42. NO JOINT VENTURE OR PARTNERSHIP. Notwithstanding anything in this Agreement which may be interpreted or construed to the contrary, neither this Agreement nor the completion of the transaction contemplated by this Agreement shall create between the parties hereto any business enterprise, whether it be a joint venture or partnership, or any other business venture.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year indicated below.

SELLER:

Paradise Rv Resort

By: /s/ Neil Spizizen

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Print Name: Neil Spizizen

Title: Managing Partner

Seller's execution date: 10/09/03

BUYER:

DIVERSIFIED INVESTMENTS SERVICES,  
LLC, a Delaware limited liability company

By: /s/ Barry L. Haase

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Barry L. Haase, Manager

Date: 10/09/03

PARADISE RV

RECEIPT BY ESCROW AGENT

First American Title, as Escrow Agent under that Recreational Vehicle Park Purchase and Sale Agreement (the "Agreement") having an Effective Date of October 9, 2003, between Paradise RV Resort, as Seller, and, Diversified Investments Services, LLC, a Delaware limited liability company, as Buyer, to which this Receipt is attached, hereby acknowledges the receipt of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) as the Initial Deposit, and will hold and disburse said sum, together with any additional deposits made, as Escrow Agent in accordance with the terms of the Agreement.

FIRST AMERICAN TITLE

By: /s/ Carol Peterson

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Print Name: Carol Peterson \*

EXHIBITS TO AGREEMENT

- A. Legal Description of Land
- B. Schedule of Personal Property
- C. List of Due Diligence Items to be provided to Buyer by Seller
- D. Seller Disclosures - Litigation, Claims, Judgments, etc.
- E. Certified Rent Roll
- F. Service Contracts



EXHIBIT B - PERSONAL PROPERTY

To be provided by Seller to Buyer

1. Inventory of all Personal Property including but not limited to:
  - a. Clubhouse
  - b. Garage/Service Area
  - c. Office
  - d. Pool Equipment
  - e. Lawn Equipment
  - f. Park Owned Homes

EXHIBIT C - LIST OF PRELIMINARY ITEMS OF DUE DILIGENCE

EXHIBIT D - SELLER DISCLOSURES - LITIGATION, CLAIMS, ETC.

To be provided by Seller to Buyer

EXHIBIT E - CERTIFIED RENT ROLL

To be provided by Seller to Buyer and to contain the following:

1. Space number;
2. Name of Resident;
3. Rental Amount;
4. Amount of Prepaid Rent
5. Amount of Security Deposit;
6. Amount of Delinquency;
7. Amount and Term of any Rent concession, rebate or credit.
8. Term of current lease or annual resident



EXHIBIT F - SERVICE CONTRACTS

To be provided by Seller to Buyer

AMENDMENT TO PURCHASE AND SALE AGREEMENT

This Amendment to Purchase and Sale Agreement (the "Amendment") is made as of this 18th day of November, 2003, by and among PRVR Limited Partnership, a Delaware limited partnership, Neil Spizizen, General Partner and also know as Paradise RV Resort ("Seller"), and Diversified Investments Services, L.L.C., a Delaware limited liability company ("Buyer").

WHEREAS, Seller and Buyer previously entered into that certain Recreational Vehicle Park Purchase and Sale Agreement dated October 9, 2003 (the "Agreement").

WHEREAS, the parties desire to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, together with other valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree as follows:

- 1. RECITALS. The above Recitals are true and correct and incorporated herein by reference.
- 2. EXTENSION OF INSPECTION PERIOD. Seller and Buyer agree to extend the Inspection Period set forth in paragraph 4 of the Agreement until December 1, 2003.
- 3. DEFINED TERMS. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.
- 4. FULL FORCE AND EFFECT. Except as amended hereby, the Agreement shall remain in full force and effect.
- 5. FACSIMILE AND COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same agreement. An executed facsimile of this Amendment shall be deemed and original for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the first date written above.

PRVR LIMITED PARTNERSHIP,  
A DELAWARE LIMITED PARTNERSHIP

By: /s/ Neil Spizizen

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Neil Spizizen  
General Partner

"SELLER"

DIVERSIFIED INVESTMENTS SERVICES,  
L.L.C., a Delaware limited liability company

By: /s/ Barry L. Haase

-----  
Barry L. Haase  
Manager

"BUYER"

ACKNOWLEDGED AND AGREED as of this 19 day of November, 2003.

FIRST AMERICAN TITLE INSURANCE  
COMPANY, a California corporation

By: /s/ Carol Peterson

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Carol Peterson  
Branch Manager

## ASSIGNMENT AND ASSUMPTION OF PURCHASE AND SALE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF PURCHASE AND SALE AGREEMENT (this "Assignment") is made and entered into as of the \_ day of January, 2004, by and between MHC OPERATING LIMITED PARTNERSHIP ("ASSIGNEE"), an Illinois limited partnership having an address of Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606, and DIVERSIFIED INVESTMENTS SERVICES, LLC ("ASSIGNOR"), a Delaware limited liability company, having an address of 7800 Persimmon Tree Lane, Suite 100, Bethesda, Maryland 20817. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement (as hereinafter defined).

## R E C I T A L S :

WHEREAS, Assignor and PRVR Limited Partnership, a Delaware limited partnership, also known as Paradise RV Resort ("SELLER"), are parties to that certain Purchase and Sale Agreement dated as of October 9, 2003, as amended by that certain Amendment to Purchase and Sale Agreement dated November 18, 2003 (as amended, the "AGREEMENT");

WHEREAS, the Agreement provides for the purchase by Assignor from Seller of that certain real property commonly known as Paradise RV Resort in Peoria, Arizona, and related personal property, as more particularly described in the Agreement (the "PROPERTY") and

WHEREAS, pursuant to the terms and conditions of that certain Letter /Agreement dated November 24, 2003 between Assignor and Assignee (the "TRANSFER LETTER") Assignor wishes to transfer and assign to Assignee all of Assignor's right, title and interest in, to and under the Agreement, and Assignee wishes to accept such assignment and assume any and all obligations of Assignor under the Agreement from and after the date hereof, in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, the sufficiency of which consideration is hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment. Assignor hereby transfers and assigns to Assignee all of Assignor's right, title and interest in, to and under, and all of the obligations and liabilities of Assignor arising from and after the date hereof under, the Agreement, a copy of which is (attached as hereto Exhibit A. Assignor hereby agrees to execute and deliver such further instruments as Assignee may reasonably require from time to time to effectuate the assignment of the rights and obligations assigned above, including any required consent of Seller.

2. Acceptance. Assignee hereby accepts the foregoing assignment by Assignor and assumes all of the obligations and liabilities of Assignor under the Agreement arising from and after the date hereof.

3. Indemnity. Assignee shall indemnify and hold Assignor harmless from and against any and all further obligation, duty or liability under the Agreement, excluding any

liability for personal injury or damage to the Property on account of Assignor's or its agent's entry onto and testing or inspections of the Property during the Inspection Period

4. Notices. Assignor and Assignee shall each deliver a copy of any notice of default or any claim by Seller under the Agreement to the other at the address set forth above by personal delivery or overnight delivery by a nationally recognized courier within one (1) business day after receipt thereof

5. Assignor's Representations: Limitations. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES ASSIGNOR HEREBY MAKES THAT

- (1) Assignor has not previously assigned, transferred or encumbered all or any portion of its interest in, to or under the Agreement to any other person or entity.
- (2) Assignor is not in default under the Agreement, and has not received any written notice of default from Seller, and
- (3) Other than as may have been previously disclosed to Assignee's in writing Seller is not in default under the Agreement, and Assignor has not given any written notice of default to Seller, and
- (4) Other than any waiver of rights to object to items in the Commitment and Survey resulting from failure of Assignor to timely object a said items in the Commitment and Survey, as provided in the Agreement (copies of Assignor's Commitment and Survey objection letter, which were timely delivered to Seller, have previously been provided to Assignee), Assignor has not waived in writing any rights of Purchaser under he Agreement, and the Agreement has not been modified or amended in writing except as may be provided in Exhibit A attached hereto,

ASSIGNOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE

6. Counterparts and Facsimile. This Assignment may be executed in one or more counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same instrument. An executed facsimile of this Assignment shall be deemed and original for all purposes.

7. Successors and Assigns. This Assignment shall inure to the benefit of and shall be binding upon Assignor, Assignee and their respective successors and assigns.

(Signatures on Following Page)

IN WITNESS WHEREOF, the parties have caused this Assignment to be executed by their respective duly authorized officers as of the date first set forth above.

ASSIGNEE:

MHC OPERATING LIMITED PARTNERSHIP, an Illinois limited partnership

By: Manufactured Home Communities, Inc.,  
a Maryland corporation, its general partner

By: \_\_\_\_\_  
Name:  
Title:

ASSIGNOR:

DIVERSIFIED INVESTMENTS SERVICES, LLC, a Delaware limited liability company

By: /s/ Barry L. Haase

-----  
Name: Barry L. Haase  
Title: Manager

IN WITNESS WHEREOF, the parties have caused this Assignment to be executed by their respective duly authorized officers as of the date first set forth above.

ASSIGNEE:

MHC OPERATING LIMITED PARTNERSHIP, an Illinois limited partnership

By: Manufactured Home Communities, Inc.,  
a Maryland corporation, its general partner

By: /s/ David W. Fell

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Name: David W. Fell  
Title: Vice President

ASSIGNOR:

DIVERSIFIED INVESTMENTS SERVICES, LLC, a Delaware limited liability company

By: /s/ Barry L. Haase

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Name: Barry L. Haase  
Title: Manager

EXHIBIT A  
PURCHASE AND SALE AGREEMENT



## DIVERSIFIED INVESTMENTS PORTFOLIO

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of the 8th day of December, 2003, by and among MHC OPERATING LIMITED PARTNERSHIP (together with its affiliates, designees and assigns, the "Purchaser"), an Illinois limited partnership having an address of Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606, DIVERSIFIED INVESTMENTS SERVICES, LLC ("Diversified"), a Delaware limited liability company having an address of 7625 Wisconsin Ave., Suite 150, Bethesda, Maryland 20814, and the "Sellers"), each having an address of c/o Diversified Investments Services, LLC, 7625 Wisconsin Ave., Suite 150, Bethesda, Maryland 20814.

## RECITALS:

- A. Diversified directly or indirectly controls each of the Sellers.
- B. Diversified Investments - Shangri-La, Inc., a Delaware corporation ("Shangri-La Inc.") owns the sole general partner interest and Tampa Bay Communities, L.P., a Florida limited partnership ("Tampa Bay Communities") owns the limited partner interest of Shangri-La Mobile Home Park, L.P., a Delaware limited partnership ("Shangri-La LP"), registered in Florida as Shangri-La Mobile Home Park of Largo, Ltd., which owns the development known as "Shangri-La Mobile Home Park," containing 161 sites and located at 249 Jasper Street, Largo, FL 33770, on the real property more particularly described on Exhibit A-1 attached hereto and containing all of the property described in Section 1(C) herein ("Shangri-La Property").
- C. Diversified Investments - Terra Ceia, LLC, a Florida limited liability company ("Terra Ceia Member") owns the sole membership interest of Terra Ceia, LLC, a Florida limited liability company ("Terra Ceia LLC"), which owns the development known as "Terra Ceia Village RV Resort," containing 203 sites and located at 9303 Highway 41 North, Palmetto, FL 34221, on the real property more particularly described on Exhibit A-2 attached hereto and containing all of the property described in Section 1(C) herein ("Terra Ceia Property").
- D. Diversified Investments - Southernaire, LLC, a Florida limited liability company ("Southernaire Member") owns the sole membership interest of Southernaire MHP, LLC, a Florida limited liability company ("Southernaire LLC"), which owns the development known as "Southernaire Mobile Home Park," containing 107 sites and located at 1700 Sanford Road, Mt. Dora, FL 32757, on the real property more particularly described on Exhibit A-3 attached hereto and containing all of the property described in Section 1(C) herein ("Southernaire Property").
- E. Diversified Investments - Sixth Avenue, LLC, a Florida limited liability company ("Sixth Avenue Member") owns the sole membership interest of Sixth Avenue, LLC, a Florida limited liability company ("Sixth Avenue LLC"), which owns the development known as "Sixth Avenue Mobile Home Park," containing 140 sites and located at 39345 6th Avenue East, Zephyrhills, FL 33540, on the real property more particularly described on Exhibit A-4 attached

hereto and containing all of the property described in Section 1(C) herein ("Sixth Avenue Property").

F. Diversified Investments - Suni Sands, LLC, an Arizona limited liability company ("Suni Sands Member") owns the sole membership interest of Suni Sands, LLC, an Arizona limited liability company ("Suni Sands LLC"), which owns the development known as "Suni Sands RV Park," containing 336 sites and located at 1960 East 32nd Street, Yuma, AZ 85365, on the real property more particularly described on Exhibit A-5 attached hereto and containing all of the property described in Section 1(C) herein ("Suni Sands Property").

G. Diversified Investments - Cactus Gardens, LLC, an Arizona limited liability company ("Cactus Gardens Managing Member") owns the sole membership interest of Cactus Gardens RV, LLC, an Arizona limited liability company ("Cactus Gardens LLC"), which owns the development known as "Cactus Gardens," containing 430 sites and located at 10657 S. Avenue 9E, Yuma, AZ 85365, on the real property more particularly described on Exhibit A-6 attached hereto and containing all of the property described in Section 1(C) herein ("Cactus Gardens Property").

H. Diversified Investments - Topics RVP, LLC, a Florida limited liability company ("Topics Member") owns the sole membership interest of Topics RVP, LLC, a Florida limited liability company ("Topics RVP LLC"), which, together with Topics Kaplow, LLC, a Florida limited liability company and Topics Filiault, LLC, a Florida limited liability company (together, "Topics TIC"), own the development known as "Topics RV Park," containing 229 sites and located at 13063 County Line Road, Spring Hill, FL 34609, on the real property more particularly described on Exhibit A-7 attached hereto and containing all of the property described in Section 1(C) herein ("Topics Property").

I. Diversified Investments - Coachwood Colony MHP, LLC, a Florida limited liability company ("Coachwood Member") owns the sole membership interest of Coachwood Colony MHP, LLC, a Florida limited liability company ("Coachwood LLC"), which owns the development known as "Coachwood Colony Mobile Home Park," containing 200 sites and located at 2610 W. Dogwood Place, Leesburg, FL 43748, on the real property more particularly described on Exhibit A-8 attached hereto and containing all of the property described in Section 1(C) herein ("Coachwood Property").

J. Sierra Lakes, L.L.C., a Delaware limited liability company ("Sierra LLC") owns the sole membership interest of Waterway RV, LLC, a Delaware limited liability company ("Waterway LLC"), which owns the development known as "Waterway RV Park," containing 333 sites and located at Highway 24 & ICW, Cedar Point, NC 28594, on the real property more particularly described on Exhibit A-9 attached hereto and containing all of the property described in Section 1(C) herein ("Waterway Property").

K. Sierra LLC owns the sole membership interest of Desert Paradise RV, LLC, an Arizona limited liability company ("Desert Paradise LLC"), which owns the development known as "Desert Paradise RV Park," containing 262 sites and located at 10537 S. Ave. 9E, Yuma County, AZ, 85365 on the real property more particularly described on Exhibit A-10 attached

hereto and containing all of the property described in Section 1(C) herein ("Desert Paradise Property").

L. Diversified Investments - GC, LLC, a North Carolina limited liability company ("Goose Creek Member") owns the sole membership interest of Goose CK, LLC, a North Carolina limited liability company ("Goose CK LLC"), which, together with Artz Family, LLC, a North Carolina limited liability company, Joseph F. Launie-Goose Creek, LLC, a North Carolina limited liability company, and Frances A. Launie-Goose Creek, LLC, a North Carolina limited liability company (collectively, "Goose Creek TIC") own the development known as "Goose Creek Resort," containing 598 sites and located at 350 Red Barn Road, Newport, NC 28570, on the real property more particularly described on Exhibit A-11 attached hereto and containing all of the property described in Section 1(C) herein ("Goose Creek Property").

M. Shangri-La LP, Terra Ceia LLC, Southernaire LLC, Sixth Avenue LLC, Suni Sands LLC, Cactus Gardens LLC, Topics RVP, LLC, Coachwood LLC, Waterway LLC, Desert Paradise LLC and Goose CK LLC are sometimes referred to hereinafter individually as a "Property Owner" or "Fee Seller" and collectively as the "Property Owners" or "Fee Sellers". The partnership or membership interests held by the Entity Sellers (as hereinafter defined) in the Property Owners are sometimes referred to hereinafter individually as an "Equity Interest" and collectively as the "Equity Interests". The Sellers owning Equity Interests are sometimes referred to hereinafter individually as an "Entity Seller" and collectively as the "Entity Sellers." The Entity Sellers, the Fee Sellers, and Diversified are hereinafter referred to herein individually as a "Seller" and collectively as the "Sellers."

N. The Shangri-La Property, the Terra Ceia Property, the Southernaire Property, the Sixth Avenue Property, the Suni Sands Property, the Cactus Gardens Property, the Topics Property, the Coachwood Property, the Waterway Property, the Desert Paradise Property and the Goose Creek Property are sometimes referred to hereinafter individually as an "Individual Property" and collectively as the "Properties."

O. Each Entity Seller desires to sell to Purchaser, and Purchaser desires to purchase from each Entity Seller, all of the Equity Interests owned by such Entity Seller, upon and subject to the terms and conditions of this Agreement.

THEREFORE, in consideration of and in reliance upon the above Recitals, which by this reference are incorporated herein, the terms, covenants, conditions and representations contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Diversified, the Sellers and Purchaser agree as follows:

1. PURCHASE AND SALE

A. Subject to the terms and conditions of this Agreement, each Entity Seller hereby agrees to sell, assign, transfer, convey and deliver to Purchaser, at the Closing (as such term is hereinafter defined), all of its right, title and interest in and to all of the Equity Interests held by such Entity Seller free and clear of all liens, claims and encumbrances. Purchaser, in reliance

upon the representations and warranties of each Entity Seller contained herein and on the terms and conditions herein set forth, hereby agrees to purchase the Equity Interests from such Entity Seller at the Closing on the terms and conditions set forth herein. If, in connection with Purchaser's financing of the acquisition of any of the Equity Interests, (i) the applicable lender requires a newly-formed entity to be the borrower, or (ii) Purchaser is required to deliver to the lender a non-consolidation opinion from Purchaser's counsel with respect to the applicable Property Owner and either (a) Purchaser's counsel is unable to give such opinion because the Property Owner did not comply with the "single-purpose covenants" required by Purchaser's lender with respect to the period from its formation to the Closing or (b) the applicable Entity Seller elects not to deliver an SPE Certificate (as such term is hereinafter defined), Purchaser hereby agrees to purchase, and each applicable Property Owner agrees to sell, all of the Individual Property owned by such Property Owner, upon and subject to the terms and conditions of this Agreement in lieu of the purchase and sale of Equity Interests, as described in the preceding sentence.

B. The Shangri-La Property, Terra Ceia Property, Southernaire Property, Sixth Avenue Property, Suni Sands Property, Cactus Gardens Property, Topics Property, Coachwood Property, Waterway Property, Desert Paradise Property, and Goose Creek Property shall mean and include all of the respective Property Owner's or Fee Seller's (as applicable) right, title and interest in and to the following described property with respect to each Individual Property:

(i) the real estate owned by such Property Owner or Fee Seller described on Exhibits A-1 through A-11 attached to this Agreement, respectively (as applicable with respect to each Individual Property); together with all and singular the easements, covenants, agreements, rights, privileges, tenements, hereditaments and appurtenances thereunto now or hereafter belonging or appertaining (the "Individual Tract of Land");

(ii) any land lying in the bed of any street, alley, road or avenue (whether open, closed or proposed) within, in front of, behind or otherwise adjoining the Individual Tract of Land or any of it, any award made or to be made as a result of or in lieu of condemnation affecting the Individual Property or any part thereof, and any award for damage to the Individual Property or any part thereof by reason of casualty (all of the foregoing being included within the term "Individual Tract of Land");

(iii) all of the buildings, structures, fixtures, facilities, installations and other improvements of every kind and description now or hereafter in, on, over and under the Individual Tract of Land, including, without limitation, any and all recreational buildings, structures and facilities, plumbing, heating, ventilating, air conditioning, mechanical, electrical and other utility systems, water and sewage treatment plants and facilities (including wells and septic systems), parking lots and facilities, landscaping, roadways, sidewalks, swimming pools, security devices, signs and light fixtures, which are not owned by tenants under the Individual Property Leases (as such term is hereinafter defined) (collectively, the "Individual Improvements") (the Individual Tract of Land and the Individual Improvements being herein collectively referred to as the "Individual Premises");

(iv) all manufactured homes, recreational vehicles and park model homes (excluding the Inventory Homes, as such term is hereinafter defined), furniture, furnishings, fixtures, equipment, machinery, maintenance vehicles and equipment, tools, parts, recreational equipment, carpeting, window treatments, office supplies and equipment, and other tangible personal property of every kind and description situated in, on, over or under the Individual Premises or used in connection therewith which are not owned by tenants under the Individual Property Leases, together with all replacements and substitutions therefor (together with the items described in Section 1(C)(v) below and the Individual Intangible Personal Property described in Section 1(C)(vi) below, collectively, the "Individual Personal Property"), a substantially complete and accurate itemization of which will be submitted to Purchaser pursuant to Section 8(A)(iii) below and attached to this Agreement for each Individual Property as Exhibits B-1 through B-11, respectively;

(v) all existing surveys, blueprints, drawings, plans and specifications (including, without limitation, structural, HVAC, mechanical and plumbing, water and sewer plans and specifications), construction drawings, soil tests, environmental reports, appraisals, police reports, and other documentation for or with respect to the Individual Property or any part thereof; all available tenant lists and data, correspondence with past, present and prospective tenants, vendors, suppliers, utility companies and other third parties, stationery, brochures, booklets, manuals and promotional, marketing and advertising materials concerning the Individual Property or any part thereof; any declarations, by-laws, minute books and other materials relating to any homeowners' association or similar organization affecting the Individual Property, together with all supporting documentation relating thereto; and such other existing books, records and documents (including, without limitation, those relating to ad valorem taxes and the Individual Property Leases) used in connection with the operation of the Individual Property or any part thereof; and

(vi) the Individual Property Leases and the Individual Property Service Contracts (as such term is hereinafter defined), and all other intangible personal property used in connection with or arising from the business now or hereafter conducted on or from the Individual Property or any part thereof, including, without limitation, claims, choses in action, lease and other contract rights, names and telephone exchange numbers, reservation and contact lists, software, web sites, goodwill, going-concern value, favorable ratings and recommendations in national, regional and local trade publications and the like (collectively, the "Individual Intangible Personal Property"). A summary of all current leases and other occupancy agreements affecting the Individual Premises or any part thereof (collectively, the "Individual Property Leases," with such summary being hereinafter referred to as the "Individual Property Rent Roll"), including each tenant's name, a description of the space leased, the amount of rent due and the amount of any security deposit paid, the term of each Individual Property Lease, and a description of any right to renew or extend, will be submitted to Purchaser pursuant to Section 8(A)(i) below, and will be attached to this Agreement for each Individual Property as Exhibits C-1 through C-11, respectively. A list of all employment, union, purchase, service and maintenance agreements, equipment leases and any other

agreements, contracts, licenses and permits, including, without limitation, cable television and satellite master antenna television system agreements, affecting or pertaining in any way to the Individual Property or any part thereof (collectively, the "Individual Property Service Contracts") will be submitted to Purchaser pursuant to Section 8(A)(ii) below, and will be attached to this Agreement for each Individual Property as Exhibits D-1 through D-11, respectively.

## 2. PURCHASE PRICE

The total consideration to be paid by Purchaser to the Sellers for the Properties is Sixty-Seven Million Eight Hundred Thousand and 00/100 Dollars (\$67,800,000.00) less an amount equal to fifty percent (50%) of the Defeasance Costs (as hereinafter defined) subject to adjustment as set forth hereinafter (the "Purchase Price"), which shall be paid as follows:

A. EARNEST MONEY. Within two (2) business days after execution of a loan commitment by Purchaser meeting the terms set forth in Section 5.C.(v) herein, Purchaser shall deliver to The Talon Group, a division of First American Title Insurance Company, as escrowee ("Escrowee"), wire transferred Federal funds in the sum of Six Hundred Thousand and 00/100 Dollars (\$600,000.00) (together with any and all interest earned thereon, net of investment costs, the "Earnest Money"). If and as Purchaser directs, Escrowee shall invest the Earnest Money in an interest bearing savings or money market account or short term U.S. Treasury Bills or similar cash equivalent securities. If the transaction contemplated by this Agreement closes in accordance with the provisions of this Agreement, the Earnest Money shall be delivered by Escrowee to the Sellers as payment toward the Purchase Price payable at the Closing. If the transaction contemplated by this Agreement fails to close due to a default on the part of any Seller or if a contingency set forth in this Agreement is not satisfied or removed, Purchaser shall have the remedies provided in Section 11(A) below. If the transaction contemplated by this Agreement fails to close due to a default on the part of Purchaser, the Sellers shall have the remedies provided in Section 11(B) below.

B. CASH BALANCE. At the Closing, Purchaser shall pay to the Sellers the Purchase Price, less the Earnest Money, such net amount to be paid by wire transferred Federal funds, subject, however, to such adjustments and proration as are required pursuant to this Agreement (such amount, as adjusted, is hereinafter referred to as the "Cash Balance").

C. ALLOCATION OF PURCHASE PRICE. The Sellers acknowledge and agree that Purchaser is acquiring the Properties and the Equity Interests as a portfolio acquisition (the "Portfolio") and the parties have not determined individual purchase prices for each of the Properties or the Equity Interests. The Sellers may, as to themselves, allocate the Purchase Price to each Seller based on the Sellers' valuations.

D. INVENTORY HOMES. At the Closing, Purchaser or its designee shall acquire from Diversified or the Seller, as applicable, the inventory of manufactured homes, recreational vehicles and park model homes held for sale by Diversified at each Individual Property (the "Inventory Homes"). Purchaser shall pay to Diversified at the Closing, as additional consideration, an amount equal to Diversified's cost of acquisition of the Inventory Homes,

together with the cost of any permanent improvement or addition thereto, (provided said homes are not leased as of the Closing Date) located at the applicable Individual Property and owned by Diversified as of the Closing (which in no event shall include any of Diversified's cost of labor, management fees or holding costs of any kind, such as interest, which may relate to the Inventory Homes). Purchaser and Diversified shall agree upon the calculation of the cost of the Inventory Homes on or before the expiration of the Inspection Period. Diversified shall convey title to the Inventory Homes via bill of sale and such other evidence of conveyance of title as may be reasonably necessary to vest good and indefeasible title in and to the Inventory Homes in Purchaser or Purchaser's designee, including the original certificate of title and/or manufacturer's statement of origin for each such Inventory Home (properly endorsed). The Inventory Homes shall be in good condition and repair as of the Closing Date. Notwithstanding anything to the contrary contained herein, Diversified shall use commercially reasonable efforts to sell all of the Inventory Homes at each Individual Property prior to the Closing, and in no event shall Purchaser or Purchaser's designee be required to purchase Inventory Homes, the cost of which exceeds Three Hundred Thousand and No/100 Dollars (\$300,000.00) in the aggregate ("Inventory Home Cap"). Purchaser shall receive at the Closing an assignment of any deposits held by Diversified for any Inventory Home for which a sale contract is in effect on the Closing Date, together with an assignment of Diversified's rights under any such sale contracts. Notwithstanding anything contained herein to the contrary, at the Closing, Purchaser or its designee shall receive title to all of the Inventory Homes located at the Topic's Property, the Desert Paradise Property and the Suni Sands Property ("Rental Home Properties"), but Purchaser shall pay for said Inventory Homes after the Closing as follows: on the "Rental Home Test Date" (as hereinafter defined) Purchaser or its designee shall pay to Diversified or the Seller, as applicable, the cost for such Inventory Homes located at the Rental Home Properties for which Purchaser has not executed "Rental Home Agreements" (as herein after defined) subject to the Inventory Home Cap.

### 3. OPERATION OF PROPERTIES THROUGH CLOSING

From the date of this Agreement through the Closing, except as otherwise specifically provided in this Agreement, each Seller or Property Owner shall, with respect to the Individual Property directly or indirectly owned by such Seller or Property Owner:

A. not sell, mortgage, pledge, hypothecate or otherwise transfer or dispose of all or any part of the Individual Property or any interest therein (other than disposal of items in the ordinary course of business provided such items are replaced with comparable items), nor initiate, consent to, approve or otherwise take any action with respect to zoning or any other governmental rules or regulations applicable to all or any part of the Individual Property as of the date of this Agreement;

B. neither take any action nor omit to take any action which would render or allow any matter to be recorded against title to the Individual Property or cause such title to be nonconforming to the requirements of this Agreement without the prior written consent of Purchaser, which shall not be unreasonably withheld;

C. provide Purchaser, upon reasonable prior oral notice, such access to the Individual Property as is reasonably necessary for it to inspect the same to assure that the applicable Seller or Property Owner is complying with the requirements of this Section 3;

D. promptly deliver to Purchaser (i) copies of any operating statements for the Individual Property which come into its possession or control for any period(s) including the period between the date of this Agreement and the Closing Date, and (ii) written notice of the occurrence of any event which affects the truth or accuracy of any representations or warranties made or to be made by the Sellers (or any of them) under or pursuant to this Agreement;

E. comply in all material respects with all laws, ordinances, rules and regulations of any government, or any agency, body or subdivision thereof, to the extent complied with by prudent owners of properties similar to the Individual Property, and all agreements, covenants, conditions, easements and restrictions, relating to the Individual Property;

F. maintain in full force and effect all insurance coverages for the Individual Property in effect as of the date of this Agreement;

G. comply in all material respects with all covenants, conditions and agreements set forth in the Existing Loan Documents (as such term is hereinafter defined) and any and all other documents and instruments evidencing or securing the Existing Loan Documents and promptly deliver to Purchaser copies of any notices from any lender delivered to any Seller or Property Owner, as applicable, relating to the Existing Loan Documents, including, without limitation, any and all notices of default and copies of any notices from any Seller or Property Owner to any lender relating to the Existing Loan Documents. Each Seller shall take all action necessary to defease, in a timely manner, any such loans that do not permit prepayment; and

H. operate, maintain and lease the Individual Property in a manner consistent with the manner in which the applicable Seller or Property Owner has operated and maintained the Individual Property prior to the date of this Agreement; provided, however, that, except as set forth on Exhibit F attached hereto, rental rates at the Individual Property shall not be modified from the rates in effect on the date of this Agreement without Purchaser's prior written consent, which shall not be unreasonably withheld.

#### 4. STATUS OF TITLE TO PROPERTY

A. STATE OF TITLE. At the Closing, each Fee Seller shall, with respect to its Individual Premises, convey to Purchaser or Purchaser's designee the entire fee simple estate in and to the Individual Premises by a recordable general warranty deed, subject only to: (i) matters of record and those covenants, conditions and restrictions which are reviewed and approved by Purchaser pursuant to Section 4(B) below as to each Individual Premises, (ii) rights of tenants under the Individual Property Leases, as tenants only, and rights of other occupants pursuant to written occupancy or lease agreements, as tenants only, (iii) the lien of general real estate taxes for the year in which the Closing occurs and subsequent years, not yet due or payable, and (iv) matters shown on the Survey for such Individual Premises (the above enumerated exceptions being hereinafter collectively referred to as the "Permitted Exceptions").



B. PRELIMINARY EVIDENCE OF TITLE. The following documents evidencing the condition of each Property Owner's title to the Individual Property owned by such Property Owner shall be obtained as follows:

(i) Purchaser shall obtain a commitment (the "Title Commitment") for an ALTA Form B (1970) Owner's Title Insurance Policy (or at Purchaser's option a date down endorsement to the Property Owner's current owner's title insurance policy) proposing to insure Purchaser or Purchaser's designee and committing to insure title to the Individual Premises in the amount of the allocable portion of the Purchase Price attributable to such Individual Premises, issued through the national office of First American Title Insurance Company (the "Title Insurer") designated by Purchaser, in coordination with the Title Insurer's local agency (if applicable), and irrevocable for at least nine (9) months. The Title Commitment shall show fee simple title to the Individual Premises in the applicable Property Owner. The Owner's Title Insurance Policy to be issued to Purchaser at the Closing shall contain (to the extent applicable and available) an extended coverage endorsement over the so-called general or standard exceptions which are a part of the printed form of the policy, a Florida Form 9 endorsement, an ALTA Form 3.1 zoning endorsement (including coverage as to parking), an access endorsement, coverage insuring any easements for utilities servicing the Individual Premises that do not connect to the Individual Premises from a public street, an endorsement over or waiver of any creditors' rights exclusion or exception, an endorsement which keeps the policy in effect notwithstanding a technical dissolution of the applicable Property Owner, a non-imputation endorsement with respect to the applicable Property Owner, if available, and such other endorsements as counsel for Purchaser shall reasonably deem appropriate. In the event that said non-imputation endorsement is not available in the state in which an Individual Property is located, the applicable Property Owner shall deliver to Purchaser a Non-Imputation Affidavit in the form attached hereto as Exhibit W (the "Non-Imputation Affidavit"). The Owner's Title Insurance Policy for each Individual Property located in Florida may, if applicable, contain an exception for the rights of tenants under Section 723.071, Florida Statutes, with respect to any subsequent sale of such Individual Premises.

(ii) Within fifteen (15) days after the date of this Agreement, the Sellers shall furnish to Purchaser written results of searches (the "UCC Searches") conducted by a company reasonably acceptable to Purchaser of the records of the County Recorder of the County and Secretary of State of the State in which the Individual Property is located and the state in which each Seller was formed and the state in which each Property Owner was formed for Uniform Commercial Code ("UCC") financing statements, tax liens, judgments and the like in the name of the applicable Seller and Property Owner, the Individual Property and any other name or location reasonably requested by Purchaser, effective as of a date after the date of this Agreement.

(iii) Purchaser shall obtain legible copies of all documents of record referred to in the Title Commitment or disclosed by the UCC Searches. Within fifteen (15) days after the date of this Agreement, the Sellers shall furnish to Purchaser all other documents

evidencing or, to the extent in the possession or control of the Sellers, relating to, matters reflected in the Title Commitment or the UCC Searches.

(iv) Purchaser shall obtain, at Purchaser's expense, a current plat of survey or update of an existing survey (the "Survey") of the Individual Premises dated after the date of this Agreement, certified to the applicable Property Owner, Purchaser or Purchaser's designee, the Title Insurer and Diversified (and such other persons or entities as Purchaser may designate) by a surveyor registered in the State in which the Individual Premises are located as having been prepared (a) in accordance with the "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys", as jointly established and adopted by the American Land Title Association ("ALTA") and the American Congress on Surveying and Mapping ("ACSM") in 1999, and including items 1 through 13 of Table A thereof, and (b) pursuant to the Accuracy Standards (as adopted by ALTA and ACSM and in effect on the date of such certification) of an "Urban" Survey (as defined therein). The Survey shall also contain the surveyor's certification whether the Individual Premises are located in any area designated by any governmental agency or authority as being a flood-prone or flood-risk area (whether pursuant to the Flood Disaster Act of 1973, as amended, or otherwise), and whether the requirements of the National Flood Insurance Program are applicable to the Individual Premises.

C. TITLE DEFECTS. If the Title Commitment, the UCC Searches or the Survey (or any revision or update of any of them) with respect to any Individual Property discloses exceptions to title other than Permitted Exceptions or any other matter which does not conform to the requirements of this Agreement, Purchaser shall so notify the Sellers within fifteen (15) business days of Purchaser's receipt of all of the Title Commitments (including copies of all of the documents referenced in said Title Commitments), UCC Searches and Survey for each Individual Property and the Sellers shall have five (5) business days to agree to have each such unpermitted exception to title removed or correct each such other matter, in each case to the satisfaction of Purchaser, on or before the Closing Date. If the Sellers do not agree to remove or correct any such exception or other matter within the time specified or the applicable Sellers fail to have each such unpermitted exception removed or correct each such other matter as aforesaid, Purchaser may, at its option, either (i) terminate this Agreement upon written notice to the Sellers and immediately receive from Escrowee the Earnest Money, in which event this Agreement, without further action of the parties, shall become null and void and no party shall have any further rights or obligations under this Agreement, or (ii) elect to accept title to the Individual Property as it then is with the right to deduct from the Purchase Price a sum equal to the amount required to discharge liens or encumbrances of a definite or ascertainable amount. If Purchaser fails to make either such election, Purchaser shall be deemed to have elected option (i) above. The rights and remedies of Purchaser set forth in this Section 4(C) shall be the exclusive rights and remedies available to Purchaser with respect to unpermitted exceptions to title.

## 5. CLOSING

A. CLOSING DATES. The closing ("Closing") of the transaction contemplated by this Agreement (i.e., the payment of the Purchase Price, the transfer and assignment of the Equity Interests, the transfer of title to the applicable Individual Properties (if applicable), and the

satisfaction of all other terms and conditions of this Agreement) shall be consummated at the office of Purchaser on or before January 31, 2004 (the "Closing Date"); provided, however, that the Closing Date may be accelerated or delayed upon the parties' mutual written agreement. Notwithstanding anything contained herein to the contrary, and subject to the provisions of Section 5C(v) below, (i) the Closing Date for the Cactus Gardens Property shall occur upon a date which is mutually agreed upon by the parties hereto but which is after the expiration or waiver of the defeasance lockout period for the mortgage loan encumbering such property, but in no event earlier than January 31, 2004 or later than May 15, 2004, (ii) in such event the Purchase Price allocated to the Cactus Gardens Property shall be \$7,725,141, and (iii) an allocable portion of the Earnest Money based on Purchase Price allocations shall be held back as Earnest Money for the Cactus Gardens Closing. If the date of Closing above provided for falls on a Saturday, Sunday or legal holiday, the Closing Date shall take place on the next business day.

B. CLOSING DOCUMENTS.

(i) Entity Sellers. At the Closing, each Entity Seller shall deliver to Purchaser the following items (the "Transaction Documents") (each in form and substance reasonably acceptable to Purchaser, if not attached to this Agreement as an Exhibit and executed [if necessary] by such Entity Seller):

(a) an assignment and assumption agreement substantially in the form attached hereto as Exhibit R, pursuant to which (i) such Entity Seller transfers its Equity Interest to Purchaser and (ii) Purchaser assumes all obligations of such Entity Seller in the applicable Property Owner in accordance with the terms of the partnership agreement or operating agreement (as applicable) of such Property Owner;

(b) evidence of the "Consents and Approvals" (as such term is hereinafter defined) required to transfer the Equity Interests to Purchaser and to otherwise consummate the transactions contemplated hereunder;

(c) a copy of resolutions of the board of directors or similar governing body of each managing member or general partner (as applicable) of each Entity Seller, certified by an officer thereof as duly adopted and in full force and effect, authorizing execution and delivery of this Agreement and all documents contemplated herein to which such Entity Seller is a party and performance by such Entity Seller of the transactions contemplated hereunder;

(d) resignations of all managers, managing members, general partners, officers and/or directors (as applicable) of the applicable Property Owner;

(e) a good standing certificate for the applicable Property Owner issued not more than ten (10) days prior to the Closing Date by the Secretary of State of the state of organization of such Property Owner;

(f) an opinion of counsel for such Entity Seller in the form attached hereto as Exhibit P;

(g) if Purchaser is required to deliver a non-consolidation opinion in connection with the financing of the acquisition of the Equity Interests, a certificate containing certain representations, warranties and covenants required in order for Purchaser to deliver said non-consolidation opinion (the "SPE Certificate");

(h) each of the items set forth in Sections 5(B)(ii)(d), 5(B)(ii)(e), 5(B)(ii)(g), 5(B)(ii)(j), 5(B)(ii)(l), 5(B)(ii)(n) and 5(B)(ii)(o) below and a rent roll for the Individual Property certified by the general partner or managing member (as applicable) of the Property Owner as being true, complete and correct, in each case with respect to the Individual Property owned by the applicable Property Owner in which Purchaser is purchasing the Equity Interests; and

(i) all of the books and records of each Property Owner in which Purchaser is purchasing the Equity Interests.

(ii) Fee Sellers. If applicable, at the Closing, each Fee Seller shall deliver to Purchaser the following original items with respect to the Individual Property owned by such Fee Seller (each in form and substance reasonably acceptable to Purchaser, if not attached to this Agreement as an Exhibit, and executed (if necessary) by such Seller):

(a) a general warranty deed in substantially the form of Exhibit G attached hereto, subject only to the Permitted Exceptions, sufficient to transfer and convey to Purchaser or Purchaser's designee fee simple title to the Individual Premises as required by this Agreement, and otherwise in form acceptable to the Title Insurer;

(b) a bill of sale in substantially the form of Exhibit H attached hereto sufficient to transfer to Purchaser or Purchaser's designee title to the tangible Individual Personal Property and containing appropriate warranties of title as required by this Agreement;

(c) a letter in substantially the form of Exhibit I attached hereto, advising tenants under the Individual Property Leases of the change in ownership and management of the Individual Property and directing them to pay rent to Purchaser or as Purchaser may direct, together with a letter in substantially the form of Exhibit J attached hereto advising vendors and other third parties of the change in ownership and management of the Property;

(d) any and all affidavits, certificates or other documents required by the Title Insurer in order to cause it to issue at the Closing the Owner's Title Insurance Policy (or marked-up commitment therefor) in the form and condition required by this Agreement;

(e) evidence of the termination of the applicable management agreement and any manufactured home, recreational vehicle or park model home sale brokerage agreements;

(f) an assignment in substantially the form of Exhibit K attached hereto of the Individual Property Leases (including an updated Individual Property Rent Roll certified by such Fee Seller as of the Closing Date as being true, accurate and complete), and all security deposits thereunder, and an assignment in substantially the form of Exhibit L attached hereto of the Individual Property Service Contracts, and the other items of Individual Intangible Personal Property referred to in Section 1(C)(vi) above;

(g) all of the original Individual Property Leases, all written Individual Property Service Contracts assigned to Purchaser, and any and all building plans, surveys, site plans, engineering plans and studies, utility plans, landscaping plans, development plans, blueprints, specifications and drawings, construction drawings, soil tests, environmental reports and other documentation concerning all or any part of the Individual Property and in the possession or control of such Seller, and all keys for the Individual Property;

(h) [Intentionally Omitted];

(i) any bonds, warranties or guaranties which are in any way applicable to the Individual Property or any part thereof;

(j) an appropriate assignment and/or bill of sale, together with certificates of title or manufacturer's statements of origin, for any Inventory Homes located at the Individual Property to be acquired by Purchaser hereunder, executed by the applicable Seller which owns said Inventory Homes;

(k) as applicable, a corporate resolution or partner consent authorizing the sale of the Individual Property to Purchaser and the execution of the documents to be delivered at the Closing, a certificate of good standing, a certified copy of the articles of incorporation and by-laws and a certificate of incumbency certifying the titles and signatures of the corporate officers, managers or partners authorized to consummate the transaction contemplated by this Agreement on behalf of such Seller, a certified copy of such Seller's partnership agreement or limited liability company agreement and/or such other evidence of such Seller's power and authority as Purchaser may reasonably request;

(l) such Seller's affidavit stating, under penalty of perjury, such Seller's U.S. Taxpayer Identification Number and that such Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code (the "Code");

(m) transfer tax returns as required by applicable law (including, without limitation, a Florida Department of Revenue Form DR-219 with respect to each Individual Property located in Florida);

(n) all other necessary or appropriate documents as are necessary for such Seller to comply with its obligations under this Agreement, or as reasonably

required by Purchaser or the Title Insurer in order to perfect the conveyance, transfer and assignment of the Individual Property to Purchaser or Purchaser's designee (including, without limitation, the currently effective certificate(s) of occupancy for the Individual Property, to the extent available);

(o) an affidavit or other statement, in form and substance acceptable to Purchaser and the Title Insurer, which satisfies the requirements of any applicable statute of the state in which the Individual Property is located (if any) which is substantially similar to the requirements of Florida Statutes, Section 723.072; and

(p) an assignment from the appropriate Seller in form acceptable to Purchaser of any existing contracts for the sale of Inventory Homes which pertain to any Inventory Homes located at the Individual Property owned by said Seller to be acquired by Purchaser hereunder.

(iii) Purchaser. Purchaser shall deliver or cause to be delivered to the Sellers at the Closing the Cash Balance payable at the Closing as required pursuant to Section 2(C) above and execute and deliver to the Sellers at the Closing such documents listed above which call for Purchaser's execution.

C. CLOSING PRORATIONS AND ADJUSTMENTS.

(i) A statement of prorations and adjustments shall be prepared by Purchaser in conformity with the provisions of this Agreement and submitted to the applicable Seller for each Individual Property for review not less than three (3) days prior to the Closing Date. For purposes of prorations, Purchaser shall be deemed the owner of the applicable Individual Property on the Closing Date. In addition to prorations and adjustments that may otherwise be provided for in this Agreement, the following items shall be prorated or adjusted (as the case requires) with respect to the Individual Property as of the Closing Date:

(a) real estate and personal property taxes and assessments (if the amount of taxes or assessments for the year in question is not known, then the same shall be prorated on the basis of the most recent ascertainable bill(s));

(b) rents paid under the Individual Property Leases for the calendar month during which the Closing occurs, and the amount of any rents paid to the applicable Property Owner which are applicable to the period subsequent to the calendar month during which the Closing occurs. However, no prorations shall be made for delinquent lot rental amounts or other charges existing as of the Closing. Rents and other charges which at the Closing are unpaid or past due (hereinafter "Delinquent Rents") shall not be prorated. The applicable Property Owner shall not take any action against tenants to collect Delinquent Rents. For ninety (90) days after the Closing, Purchaser shall use reasonable efforts to collect Delinquent Rents, but such undertaking shall not be deemed to obligate Purchaser to expend any funds or institute any legal proceedings of any nature. Rents and other

amounts received by Purchaser or the applicable Property Owner after the Closing from a tenant owing Delinquent Rents shall be applied, on a tenant by tenant basis: (i) first, to all of Purchaser's costs of collection incurred with respect to Delinquent Rents (including reasonable attorneys' fees and costs); (ii) second, to rents due for the month in which such payment is received by Purchaser; (iii) third, to rents attributable to any period after the Closing which are past due on the date of receipt; and (iv) fourth, to Delinquent Rents. For the purpose of the foregoing application of rents, rents received from tenants that are not delinquent shall not be applied to or commingled with Delinquent Rents. The applicable Property Owner shall promptly remit to Purchaser any sums received by such party from tenants after the Closing for application (if applicable) to Delinquent Rents by Purchaser in the manner provided above. Purchaser shall promptly remit to the applicable Property Owner any amounts due such party on account of Delinquent Rents after application of rents in the manner provided above;

(c) the full amount of the security and other deposits paid under the Individual Property Leases, together with interest thereon if required by law or otherwise;

(d) water, electric, telephone and all other utility and fuel charges, fuel on hand (at cost plus sales tax) and any deposits with utility companies (to the extent possible, utility prorations shall be handled by meter readings on the Closing Date);

(e) amounts due and prepayments under the Individual Property Service Contracts being assumed by Purchaser;

(f) assignable license and permit fees; and

(g) other expenses of operation and similar items.

Any proration which must be estimated at the Closing (including real estate taxes and personal property taxes) shall be prorated and finally adjusted within ninety (90) days after the Closing Date (or, with respect to the real estate and personal property taxes, within thirty (30) days after receipt of the applicable tax bill), otherwise all prorations shall be final.

(ii) Notwithstanding anything to the contrary contained in this Agreement, each Seller shall be responsible for, or shall cause the applicable Property Owner or Diversified to be responsible for, and, at or prior to the Closing, shall pay all amounts due through the Closing for employees' salaries, vacation pay, withholding and payroll taxes, and other compensation and benefits, and any management fee affecting the Individual Property. If and to the extent such Seller has not paid or caused to be paid all such amounts as of the Closing, Purchaser shall receive a credit against the Cash Balance payable at the Closing in an amount equal to the amount not so paid. If and as requested by Purchaser, each Seller shall terminate or cause to be terminated as of the Closing the

employment of all employees who work at the Individual Property. The Sellers shall indemnify and hold Purchaser harmless from and against any and all obligations and other matters relative to any terminated employees and, with respect to any employees not terminated, applicable to the period prior to the Closing, including attorneys' fees incurred by Purchaser in connection therewith.

(iii) Purchaser shall receive a credit against the Purchase Price for each dollar of "New Cactus Gardens Value" not generated by the Fee Seller of the Cactus Gardens Property from the date hereof through the Closing Date for such property. "New Cactus Gardens Value" shall mean (a) the number of new rental agreements executed at the Cactus Gardens Property from and after the date hereof for a term encompassing the entire season at the Cactus Gardens Property (which number of new agreements shall not exceed five (5) and shall be reduced on an agreement-for-agreement basis to the extent any of the 277 rental agreements which are in full force and effect for the entire season at the Cactus Gardens Property as of the date hereof is no longer in full force and effect or a viable tenancy as a result of the tenant not arriving at the property to honor such rental agreement as of the Closing Date), (b) multiplied by the net rental income provided for in such rental agreement, (c) divided by 0.0762; provided, however, in no event shall New Cactus Gardens Value exceed \$103,346. For example, if the amount of New Cactus Gardens Value equals \$100,000, Purchaser would receive a credit equal to \$3,346.

(iv) Purchaser shall receive a credit against the Purchase Price for each dollar of "New Desert Paradise Value" not generated by the Fee Owner of the Desert Paradise Property from the date hereof through the Closing Date for such property. "New Desert Paradise Value" shall mean (a) the number of new rental agreements executed at the Cactus Gardens Property from and after the date hereof for a term encompassing the entire season at the Desert Paradise Property (which number of new rental agreements shall not exceed ten (10) and shall be reduced on an agreement-for-agreement basis to the extent any of the 67 agreements which are in full force and effect for the entire season at the Desert Paradise Property as of the date hereof is no longer in full force and effect or a viable tenancy as a result of the tenant not arriving at the property to honor such agreement as of the Closing Date), (b) multiplied by the net rental income provided for in such agreement, (c) divided by 0.0742; provided, however, in no event shall New Desert Paradise Value exceed \$212,264. For example, if the amount of New Desert Paradise Value equals \$210,000, Purchaser would receive a credit equal to \$2,264.

(v) Purchaser and Sellers have received a preliminary indication that the loan proceeds that will be made available in connection with the financing of all of the Individual Properties, other than the Cactus Gardens Property, will be no less than approximately \$41,770,000 based on a 10 year maturity date with an interest rate below 6.0% per annum. Following the execution of this Agreement, Purchaser shall enter into a loan commitment with a mortgage lender selected by Purchaser except that Purchaser agrees to give prior notice to Sellers of the identity of the mortgage lender and agrees to enter into consultation regarding such selection with Sellers. To the extent that loan proceeds made available by the mortgage lender selected in accordance with the terms above for the Cactus Gardens Property is materially less than \$5,050,000 due to the net



operating income from such property not supporting such loan amount, Purchaser shall receive a credit against the Purchase Price allocated to the Cactus Garden Property in an amount equal to the amount by which said loan proceeds are less than \$5,050,000. For example, if such loan proceeds equal \$5,000,000, Purchaser will receive a credit against the Purchase Price equal to \$50,000. In the event such loan proceeds are materially less than \$5,050,000 due to other reasons, Diversified may elect to proceed with the sale, in which case Purchaser shall receive the credit against the Purchase Price described above, or elect to form a joint venture with Purchaser (with Purchaser owning a 25% interest of the equity and on terms generally set forth in that certain letter agreement of even date hereof between Diversified and Purchaser) for the acquisition of the Cactus Gardens Property based on a value of the Cactus Gardens Property of \$7,350,000, which transaction is subject to Purchaser obtaining adequate financing satisfactory to Purchaser for the acquisition of such interest. In the event Diversified elects to form the joint venture and Purchaser does not obtain such financing, Purchaser shall have no obligation to purchase or form a joint venture with respect to such property.

D. CLOSING COSTS. Purchaser shall be responsible for its own legal fees, as well as all fees associated with Purchaser's environmental and engineering inspections, costs of Surveys, and one-half of the following expenses (collectively, the "Shared Expenses"): transfer taxes, recording fees, deed recording costs, stamp taxes, intangible taxes, costs of the Title Commitments and Owner's Title Insurance Policies, escrow and other closing costs. The Sellers shall be responsible for their own legal fees, as well as one-half of the Shared Expenses. Purchaser shall be responsible for one hundred percent (100%) of, any costs and expenses incurred in connection with the prepayment or defeasance of the loan currently encumbering the Properties, including, without limitation, the lender's attorney fees ("Defeasance Costs").

E. POSSESSION. Upon consummation of the Closing, each Seller shall deliver to Purchaser full and complete possession of the Individual Property owned by such Seller, subject only to the rights of tenants under the Individual Property Leases and the rights of any lessee under any common area laundry lease.

#### 6. CASUALTY LOSS AND CONDEMNATION

If, prior to the Closing, any Individual Property (or any part thereof) shall be condemned, or destroyed or materially damaged by fire or other casualty (that is, damage or destruction in excess of Five Hundred Thousand and 00/100 Dollars [\$500,000.00]), the Sellers shall immediately so notify Purchaser and Purchaser shall have the option either to terminate this Agreement upon written notice to the Sellers or to consummate the transaction contemplated by this Agreement notwithstanding such condemnation, destruction or material damage. If Purchaser elects to consummate the transaction contemplated by this Agreement, Purchaser shall be entitled to receive the condemnation proceeds or settle the loss under all policies of insurance applicable to the destruction or damage and receive the proceeds of insurance applicable thereto, and the applicable Seller shall, at the Closing and thereafter as necessary, execute or cause to be executed and deliver to Purchaser all required proofs of loss, assignments of claims and other similar items. If Purchaser elects to terminate this Agreement, the Earnest Money shall be returned to Purchaser by Escrowee, in which event this Agreement shall, without further action

of the parties, become null and void and no party shall have any further rights or obligations under this Agreement. If there is any other damage or destruction (that is, damage or destruction of Five Hundred Thousand and 00/100 Dollars [\$500,000.00] or less) to the Individual Property or any part thereof, the applicable Seller shall either repair such damage prior to the Closing or, at Purchaser's option, assign all insurance claims pertaining to such damage or destruction to Purchaser by executing or causing to be executed and delivering to Purchaser at the Closing and thereafter as necessary all required proofs of loss, assignments of claims and other similar items, or allow Purchaser a credit against the allocable portion of the Cash Balance payable at the Closing in an amount equal to the reasonably estimated cost of repair. If Purchaser elects to take an assignment of all insurance claims as aforesaid, Purchaser shall receive at the Closing a credit against the allocable portion of the Cash Balance payable at the Closing in an amount equal to any deductible(s) and uninsured amounts applicable thereto.

## 7. REPRESENTATIONS AND WARRANTIES OF SELLERS

A. Each Seller, with respect to the Individual Property owned by such Seller (if applicable) or the Property Owner in which such Seller owns Equity Interests, represents and warrants to Purchaser that the following are true, complete and correct as of the date of this Agreement:

(i) There is no material action, proceeding or investigation pending or, to the applicable Seller's knowledge, threatened against the applicable Seller, the Property Owner or the Individual Property before any court or governmental department, commission, board, agency or instrumentality, and the applicable Seller does not know of any basis for any such action, proceeding or investigation.

(ii) The applicable Seller has not received from any governmental authority any notice of any material violation of any zoning, building, fire or health code or any other law, ordinance, rule or regulation applicable to the Individual Property, or any part thereof, of which Purchaser has not been notified.

(iii) The applicable Seller is duly organized, validly existing, qualified and empowered to conduct its business, and has full power and authority to enter into and fully perform and comply with the terms of this Agreement. Neither the execution and delivery of this Agreement nor its performance will conflict with or result in the breach of any contract, agreement, law, ordinance, rule or regulation to which the Seller is a party or by which the Seller is bound, or give rise to a right, not waived on or before the Closing, to accelerate the maturity of an obligation secured by the applicable existing financing which encumbers any of the Individual Properties.

(iv) To the applicable Seller's knowledge, without independent inquiry or investigation, there is no plan, study or effort by any governmental authority or agency which in any way affects or would affect the present use or zoning of the Individual Property, and there is no existing, proposed or contemplated plan to widen, modify or realign any street or highway or any existing, proposed or contemplated eminent domain proceedings that would affect the Individual Property in any way whatsoever.

(v) Exhibits C-1 through C-11, respectively (as applicable), describe all existing Individual Property Leases, and are true, complete and correct. Each of the Individual Property Leases is in effect, was the result of arm's-length negotiation, and the rights of each lessee thereunder are as tenants only. No commissions to any broker or leasing agent are due or will become due on account of any of the Individual Property Leases or upon extension or renewal of the original term thereof or upon the leasing of additional space at the Individual Property, whether or not pursuant to an option contained in such Individual Property Lease.

(vi) With respect to the Individual Property or any part thereof, there are no unpaid taxes, fees or assessments of any kind or nature whatsoever that are delinquent or otherwise due and payable. All fees and expenses required to be paid in connection with the development and zoning of the Individual Property have been paid in full and there are no agreements with governmental or quasi-governmental authorities, agencies or utilities with respect to the Individual Property or any portion thereof which would bind the Individual Property following the Closing other than any matters set forth in the Title Commitment for the Individual Property.

(vii) All financial information about the Individual Property heretofore or hereafter furnished by the Sellers to Purchaser (including, without limitation, the operating statements to be provided to Purchaser pursuant to Section 8(A)(v) below) is and shall be true, complete and correct in all material respects as of the date therein specified and shall present fairly the financial condition of the Individual Property and, with respect to projections, shall be based upon the best information available to the Sellers at the time when first delivered to Purchaser.

(viii) The transactions contemplated by this Agreement are the result of an unsolicited offer within the meaning of Section 723.071, Florida Statutes.

(ix) To the applicable Seller's knowledge, based solely upon those environmental reports relating to the Individual Property prepared for Purchaser, and without independent inquiry or investigation, there are no Hazardous Materials (as such term is hereinafter defined) on, in or under the Individual Property, and the Individual Property has never been used to generate, treat, store, dispose of, transport or in any manner deal with Hazardous Materials. For purposes of this Agreement, the term Hazardous Materials shall include hazardous substances as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), petroleum and petroleum products and any other hazardous or toxic materials, substances or wastes regulated under any federal, state or local laws or regulations relating to protection of health, safety or the environment. There is excepted from the foregoing any Hazardous Materials used, kept, stored or transported upon the Individual Property in accordance with requirements of law and in the ordinary course of the applicable Seller's operation of its business upon the Individual Property.

(x) Exhibits Q-1 through Q-11, respectively (as applicable), set forth (a) the issued and outstanding partnership or membership interests of each Property Owner, (b) the capital contributions made by each Entity Seller to each Property Owner, and (c) the capital account balances of each Entity Seller in each Property Owner.

(xi) Each Entity Seller has previously delivered to Purchaser the following financial statements of each Property Owner in which such Entity Seller owns Equity Interests (the "Financial Statements"): (a) the unaudited balance sheet of such Property Owner as of December 31 in each of the years 2001 and 2002, and the related unaudited statements of income and cash flows for each of such fiscal years then ended (the most recent of which, the "Balance Sheet"), (b) an unaudited balance sheet of such Property Owner as of September 30, 2003 (the "Interim Balance Sheet") and the related unaudited statements of income and cash flows for the three months then ended, including, in each case, any notes thereto, and (c) the annualized net operating income and number of sites with respect to each Individual Property as set forth on Exhibit M attached hereto. Each of the Financial Statements is consistent with the books and records of such Property Owner (which, in turn, are accurate and complete in all material respects) and fairly presents such Property Owner's financial condition, assets and liabilities as of its respective date and the results of operations and cash flows for the period related thereto. The Financial Statements utilize the accrual method of accounting consistent with the method utilized to prepare the relevant tax return of each Property Owner. The Interim Balance Sheet utilizes the cash method of accounting.

(xii) The Entity Sellers are, and on the Closing Date will be, the sole record and beneficial owners and holders of the Equity Interests, and have good and marketable title to the Equity Interests, free and clear of all liens, claims and encumbrances, except as may exist in favor of the lenders with respect to the Existing Loan Documents. Upon consummation of the transactions contemplated hereby, Purchaser will be vested with good and marketable title to all of the outstanding equity securities of the Property Owners free and clear of all liens, claims and encumbrances, except as may exist in favor of the lenders with respect to the Existing Loan Documents. There are no contracts or other agreements relating to the issuance, sale or transfer of any equity securities, phantom stock or appreciation rights, profit participation, or other securities (whether or not convertible) of the Property Owner, including options, warrants, puts or calls, all of which will have been canceled, terminated or expired at no expense to the Property Owner on or before the Closing. The Property Owner has not owned, does not own, and has no contract to acquire, any equity securities or other securities of any entity or any direct or indirect equity or ownership interest in any other business. There are currently existing no preemptive rights with respect to any Equity Interests nor have any Equity Interests been issued in violation of then existing preemptive rights.

(xiii) Each Property Owner has no material liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent or otherwise) other than (a) liabilities or obligations specifically reflected or reserved against in the Financial Statements, (b) current liabilities incurred in the ordinary course of business since the date of the Balance Sheet and (c) obligations under executory

contracts that are to be performed in the ordinary course of business and are apparent from the plain reading of such contracts. None of the matters described in clauses (a) through (c) hereof is a liability resulting from a breach of contract, breach of warranty, tort, infringement or claim or proceeding.

(xiv) No representation or warranty of the Sellers in this Agreement or any of the Schedules or Exhibits attached hereto omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading.

(xv) No Property Owner currently has any employees.

(xvi) Each Property Owner is organized for the sole purpose of owning and operating the Individual Property owned by such Property Owner and does not own and has not owned any other assets or engaged in any other business activity since its organization.

(xvii) Each Property Owner has duly filed all federal, state, county and municipal income, excise and other tax returns required to be filed by it as of the date of this Agreement.

(xviii) All federal, state, county and municipal taxes and assessments and other governmental or quasi-governmental levies of any kind relating to each Property Owner that have become due for payment prior to the date of this Agreement have been paid or shall be paid in full by the Property Owner together with any interest and penalties thereon prior to the Closing.

(xix) Subject to the truth and accuracy of the representations of investors, if any, obtained by each Entity Seller or Property Owner, each offer, sale and issuance of equity interests by such Entity Seller or Property Owner was or is exempt from the registration requirements of the Securities Act of 1933, as amended, and all applicable state securities laws, and each Entity Seller and Property Owner has complied with, and is currently in compliance with, in all material respects, all applicable federal and state securities laws.

B. Each Seller represents and warrants to Purchaser that, as of the Closing, each of the representations and warranties set forth in Section 7(A) above shall be true, complete and correct in all material respects except for changes in the operation of the applicable Individual Property occurring prior to the Closing which are specifically permitted by or pursuant to this Agreement (including, without limitation, the provisions of Section 3 above).

C. The representations and warranties set forth herein are deemed to be made only by each Seller only with respect to the Individual Property which is owned by such Seller or the Property Owner in which such Seller owns Equity Interests. No Seller shall be deemed to make any representation or warranty as to any Individual Property which it does not own or as to any entity in which it does not have an ownership or management interest.

D. The foregoing representations and warranties (and the representations and warranties contained in any SPE Certificate) of each respective Seller shall survive the execution and delivery of this Agreement, the Closing and the delivery of all documents and the performance of any and all covenants and obligations in accordance with this Agreement for a period of one (1) year from the Closing Date. The Sellers shall protect, defend, indemnify and hold harmless Purchaser, its affiliates, subsidiaries and designees, if any, and their respective principals, shareholders, directors, officers, partners, members, agents, employees, successors and assigns (collectively, the "Indemnified Parties") from and against any and all claims, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees and expenses) resulting from or arising out of (i) any breach of the representations and warranties set forth in Section 7(A) above, in any SPE Certificate or in any Non-Imputation Affidavit, (ii) any misrepresentation by the Sellers or non-fulfillment of any covenant to be performed or complied with by the Sellers under this Agreement, (iii) any claim, action or proceeding of any kind whatsoever, whether instituted or commenced prior to or after the Closing, which relates to or arises from the conduct of any Seller's or Property Owner's business or assets on or prior to the Closing, or (iv) any claim, action or proceeding of any kind whatsoever relating to or arising from the allocation of the Purchase Price among the Sellers or the distribution of the proceeds thereof to the direct or indirect owners of the Sellers. There is expressly excepted from the foregoing, and Purchaser shall be deemed to have waived any claim for protection or indemnification from any Seller with regard to, any of those matters set forth in (i) through (iv) above which are disclosed to Purchaser prior to the Closing in the normal course of Purchaser's due diligence investigation.

E. The Sellers shall protect, defend, indemnify and hold harmless the Indemnified Parties from and against any and all claims, demands, losses, expenses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees and expenses) pursuant to any federal, state or local laws or regulations relating to protection of health, safety or the environment ("Environmental Laws") resulting from the following, if resulting from the acts of the Sellers, their contractors, subcontractors, agents or employees: (i) the use, generation, transportation, storage, disposal or presence, other than in the Sellers' ordinary course of their business upon the Individual Properties and in compliance with law, prior to the Closing, on the Individual Properties of any Hazardous Materials or the release or discharge of any Hazardous Materials on, under or from the Individual Properties, (ii) any failure, prior to the Closing, to comply with any Environmental Laws, (iii) the treatment, storage or disposal off the Individual Properties, prior to the Closing, of any Hazardous Materials, or (iv) any breach of the representations and warranties set forth in Section 7(A)(ix) above. This indemnity shall survive the Closing for a period of one (1) year from the Closing Date.

F. The Sellers shall provide to Purchaser and its auditors (i) prior to and following the Closing, access at all reasonable times to all financial and other information in the Sellers' possession relating to the Properties necessary for Purchaser and its auditors to prepare audited financial statements in conformity with Regulations S-X of the Securities and Exchange

Commission ("SEC") or other materials required for any registration statement, report or other disclosure to be filed with the SEC or necessary to comply with any SEC rule or regulation, and (ii) at the Closing (or prior thereto if required by Purchaser's auditors) an executed representations letter, as required by Generally Accepted Auditing Standards as promulgated by the Auditing Standards Division of the American Institute of Public Accountants, which representation is required to enable an independent public accountant to render an opinion on such financial statements; provided, however, that Purchaser shall pay for any actual costs incurred by the Sellers in connection with their obligations under this Section 7(F). The obligation of the Sellers to provide such access and representations letter shall survive Closing and the Sellers (and each of them) shall indemnify and hold the Indemnified Parties harmless from and against any losses, costs, expenses (including, without limitation, reasonable attorneys' fees and expenses) and liabilities arising from the failure of the Sellers to comply with these obligations.

G. The obligations of the Sellers under this Section 7 shall be secured as follows:

Each Seller shall fund from the proceeds of the Closing into an escrow account held by the Title Insurer, as escrow agent (the "Holdback Escrow"), such portion of the sum of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) as the allocable portion of the Purchase Price payable to such Seller shall bear to the total Purchase Price. The Holdback Escrow shall be subject to Purchaser's valid claims under this Section 7 and any SPE Certificate to the extent of the full amount of the Holdback Escrow as to such claim(s) arising against any one or more Sellers. The Holdback Escrow or any residual portion thereof not subject to Purchaser's claims on the date one (1) year subsequent to the Closing Date shall be returned by the Title Insurer in accordance with directions from the Sellers or their counsel. In addition to the foregoing, Purchaser shall have the right to pursue any Seller for such claims arising only against such Seller, provided, however, that (i) the maximum amount of such claims as shall be recoverable against any particular Seller (exclusive of a recovery from the Holdback Escrow) shall be limited to an amount equivalent to the proportion of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) that the allocable portion of the Purchase Price payable to such Seller bears to the total Purchase Price, and (ii) that no claim shall be actionable against or payable by a Seller if made from and after the date one (1) year after the Closing Date.

#### 7A. REPRESENTATIONS AND WARRANTIES OF PURCHASER

A. Purchaser represents and warrants to the Sellers that the following are true, complete and correct as of the date of this Agreement:

(i) Purchaser is duly organized, validly existing, qualified and empowered to conduct its business, and has full power and authority to enter into and fully perform and comply with the terms of this Agreement. Neither the execution and delivery of this Agreement nor its performance will conflict with or result in the breach of any contract, agreement, law, ordinance, rule or regulation to which Purchaser is a party or by which Purchaser is bound.

(ii) Purchaser initiated the negotiations regarding its acquisition of the Portfolio, and the Sellers did not solicit Purchaser's offer to acquire the Portfolio.

B. Purchaser represents and warrants to the Sellers that, as of the Closing, each of the representations and warranties set forth in Section 7.A(A) above shall be true, complete and correct in all material respects.

C. The foregoing representations and warranties of Purchaser shall survive the execution and delivery of this Agreement, the Closing and the delivery of all documents and the performance of any and all covenants and obligations in accordance with this Agreement for a period of one (1) year from the Closing Date.

#### 8. SCHEDULES, CONSENTS AND APPROVALS

A. Within fifteen (15) days after the date of this Agreement, the Sellers shall furnish to Purchaser:

(i) the Individual Property Rent Rolls provided for in Section 1(B)(v) above, and make available to Purchaser true, correct and complete copies of all the Individual Property Leases;

(ii) the lists of all Individual Property Service Contracts provided for in Section 1(B)(vi) above, together with a true, correct and complete copy of each written Individual Service Contract and a true, correct and complete summary of each oral Individual Property Service Contract;

(iii) the itemizations of the tangible Individual Personal Property as provided for in Section 1(B)(iv) above;

(iv) a schedule of all insurance policies owned by or on behalf of each Seller with respect to each Individual Property or any part thereof;

(v) copies of all operating statements for each Individual Property which are in the possession or control of the Sellers for any time during the period commencing with the first day of the second full calendar year preceding the date of this Agreement and ending on the date of this Agreement;

(vi) copies of the most recent surveys of and title policies or commitments for each Individual Premises in the possession or control of the Sellers;

(vii) copies of all environmental reports, termite inspection reports, soil tests, appraisals and police reports (within a three (3) year period prior to the date of this Agreement) for each Individual Property in the possession or control of the Sellers;

(viii) a true, correct and complete copy of each of the loan agreement, note and mortgage or deed of trust for each loan encumbering the Individual Premises (the "Existing Loan Documents"); and



(ix) with respect to each Individual Property located in Florida, Seller shall use best efforts to furnish to Purchaser the additional items set forth on Exhibit N attached hereto.

B. Within fifteen (15) days after the date of this Agreement, the Sellers shall make the additional items set forth on Exhibit O attached hereto, to the extent in the Sellers' possession or control, available to Purchaser either at the applicable Individual Property or by delivery to Purchaser, at Purchaser's option.

#### 9. PURCHASER'S CONDITIONS PRECEDENT

At the option of Purchaser, the obligations of Purchaser under this Agreement are contingent and conditional upon any one (1) or more of the following, the failure of any of which shall, at the election of Purchaser and after the return to Purchaser of the Earnest Money, render this Agreement null and void:

A. Purchaser shall have until 3:00 p.m. (Chicago, Illinois time) on the date which is forty-five (45) days after the date of Seller's execution of this Agreement within which to inspect the Properties and review all of the documents and other information provided for in Sections 4 and 8 above (the "Inspection Period"). Notwithstanding anything to the contrary contained herein, if for any reason whatsoever Purchaser determines that any Individual Property is unsuitable for its purposes and notifies the Sellers of such decision within the Inspection Period, the Earnest Money shall be returned to Purchaser, at which time this Agreement shall be null and void and no party shall have any further rights or obligations under this Agreement. Purchaser's failure to object within the Inspection Period shall be deemed a waiver by Purchaser of the condition contained in this Section 9(A). During the Inspection Period, Purchaser and its agents, engineers, surveyors, appraisers, auditors and other representatives shall have the right to enter upon the Properties upon reasonable prior oral notice to inspect, examine, survey, obtain engineering inspections and environmental studies, appraise and otherwise do that which, in the opinion of Purchaser, is necessary to determine the boundaries, acreage and condition of the Properties and the suitability of the Properties for the uses intended by Purchaser (including, without limitation, inspect, review and copy any and all documents in the possession or control of the Sellers, their respective agents, contractors or employees, and which pertain to the construction, ownership, use, occupancy or operation of the Properties or any part thereof). Also during the Inspection Period, the Sellers shall make all books, files and records of the Sellers and Property Owners relating in any way to the Properties, including all calculations and supporting workpapers used to determine the annualized net operating income for each Individual Property as set forth on Exhibit M attached hereto, available for examination by Purchaser and Purchaser's agents and representatives, who shall have the right to make copies of such books, files and records and to extract therefrom such information as they may desire, and who shall have the right to audit and to have certified, thoroughly and completely, all income and expenses, profits and losses, and operational results of the Properties for the two (2) calendar years prior to the Closing and for the current calendar year to date. During the Inspection Period, Purchaser shall have the right to verify the net operating income figures set forth on Exhibit M attached hereto. Accordingly, Purchaser shall deliver to the Sellers within ten (10) days after the full execution of this Agreement, a list of all books, files, records and other information and materials

required by Purchaser to verify such net operating income figures. The Sellers shall promptly deliver all such books, files, records and other information and materials to Purchaser, but no later than ten (10) days after the receipt of Purchaser's request for net operating income information. In addition, the Sellers shall use best efforts to promptly deliver to Purchaser any other materials reasonably required by Purchaser after its review of the materials initially delivered by the Sellers.

B. Each and every representation and warranty of the Sellers contained herein is true, correct and complete in all material respects as of the Closing.

C. As of the Closing, the Sellers shall have fully performed and satisfied in all material respects each and every obligation, term and condition to be performed and satisfied by the Sellers under this Agreement.

D. The prospectus for each Individual Property located in Florida as required by Section 723.011, Florida Statutes, shall have been approved by the Florida Department of Business and Professional Regulation (Division of Florida Land Sales, Condominiums and Mobile Homes) (the "Department") as evidenced by a letter from the Department. The Sellers and Property Owners shall promptly and timely meet all requirements to correct any deficiencies of any such prospectus so that the approval of the Department to said prospectus is not delayed or withheld, but no submission shall be made by the Sellers or Property Owners in connection with said prospectus without the prior written consent of Purchaser.

E. The applicable Property Owners shall have fully complied with the provisions and requirements of Section 723.071, Florida Statutes with respect to each Individual Property located in Florida. To the extent any Property Owner delivers a notice to the tenants' homeowners' association at its Individual Property located in Florida as required by Section 723.071, Florida Statutes, Purchaser shall not be deemed to have consented or agreed to any allocation of the Purchase Price set forth in such notice. With respect to each Individual Property located in Florida, the applicable Property Owners shall prepare, execute and deliver to Purchaser and the Title Insurer the affidavit provided for in Section 723.072, Florida Statutes, in form suitable for recording.

F. Prior to the expiration of the Inspection Period, Purchaser shall have received all consents and approvals required under any agreement or other document to which the Sellers are a party or by which the Sellers or the Portfolio (or any portion thereof) are bound with respect to the sale of the Portfolio to Purchaser as contemplated hereby, including, without limitation, consents of the limited partners or members of the direct or indirect owners of each of the Property Owners and the net proceeds thereof to be received by such limited partners or members and consents required from any governmental authority having jurisdiction over any of the assets in the Portfolio for the conveyance of the assets of the Portfolio (collectively, the "Consents and Approvals"). Purchaser shall not be obligated to consummate the Closing unless and until Purchaser receives all such Consents and Approvals or the Sellers represent and warrant to Purchaser that the Sellers have the authority to sell the Portfolio.

G. Purchaser shall have received the Owner's Title Insurance Policy (or marked-up commitment therefor) insuring fee simple title to the Individual Premises in (as applicable) the Property Owner or Purchaser (or Purchaser's designee, if applicable) for the allocable portion of the Purchase Price attributable to such Individual Premises and subject only to Permitted Exceptions, and otherwise in the form and condition required by this Agreement. In no event shall any such Owner's Title Insurance Policy raise as an exception the right of first refusal contained in Section 723.071, Florida Statutes, as it relates to the sale of the applicable Individual Property from the applicable Seller to Purchaser or its designee hereunder.

H. Purchaser and certain Sellers shall have entered into that certain (i) Letter Agreement dated as of the date hereof regarding the formation of various joint venture entities and (ii) Subscription Agreement dated as of the date hereof regarding the purchase of various preferred equity interests by Purchaser or an affiliate thereof and certain other membership interests by Purchaser or an affiliate thereof.

I. Prior to or at the time of the Closing, the tenant in common interests of the Topics TIC in the Topics Property and the Goose Creek TIC in the Goose Creek TIC shall be acquired by Topics RVP LLC and Goose CK LLC, respectively, so that Topics RVP LLC owns 100% of the fee simple title to the Topics Property and Goose Creek CK LLC owns 100% of the fee simple title to the Goose Creek Property.

If any of the foregoing conditions are not satisfied with respect to any Individual Property, Purchaser shall have the right to terminate this Agreement with respect to such Individual Property.

#### 9A. SELLER'S CONDITIONS PRECEDENT

At the option of the Sellers, the obligations of the Sellers under this Agreement are contingent upon any one (1) or more of the following, the failure of which shall, at the election of the Sellers and after the return to Purchaser of the Earnest Money, render this Agreement null and void:

A. Purchaser and certain Sellers shall have entered into that certain (i) Letter Agreement dated as of the date hereof regarding the formation of various joint venture entities and (ii) Subscription Agreement dated as of the date hereof regarding the purchase of various preferred equity interests by Purchaser or an affiliate thereof and certain other membership interests by Purchaser or an affiliate thereof.

B. Prior to the expiration of the Inspection Period, Seller shall have received the Consents and Approvals.

#### 10. BROKERAGE

No brokerage commissions shall be due for services rendered in connection with the sale and purchase of the Portfolio (or any portion thereof). The Sellers and Purchaser shall indemnify and hold each other harmless from and against any and all claims of all brokers and finders claiming by, through or under the Sellers or Purchaser, as applicable, and in any way related to

the sale and purchase of the Portfolio (or any portion thereof), pursuant to this Agreement or otherwise, including, without limitation, reasonable attorneys fees incurred by the indemnified party in connection with such claims.

#### 11. DEFAULT AND REMEDIES

A. Notwithstanding anything to the contrary contained in this Agreement, if any Seller fails to perform in accordance with the terms of this Agreement, at Purchaser's option, either the Earnest Money shall be returned to Purchaser (at which time this Agreement shall be null and void and no party shall have any further rights or obligations under this Agreement), or Purchaser may sue for specific performance of this Agreement.

B. Notwithstanding anything to the contrary contained in this Agreement, if Purchaser fails to perform in accordance with the terms of this Agreement, at the Sellers' option, either the Earnest Money shall be forfeited to the Sellers (at which time this Agreement shall be null and void and no party shall have any further rights or obligations under this Agreement), or the Sellers may sue for specific performance of this Agreement. The Sellers acknowledge and agree that (i) the Earnest Money (or remaining balance thereof) is a reasonable estimate of and bears a reasonable relationship to the damages that would be suffered and costs that would be incurred by the Sellers as a result of having subjected the Portfolio to the terms of this Agreement and the failure of the Closing to occur due to a default of Purchaser under this Agreement; (ii) the actual damages suffered and costs incurred by the Sellers as a result of such subjection and failure to close due to a default of Purchaser under this Agreement would be extremely difficult and impractical to determine; (iii) Purchaser seeks to limit its liability under this Agreement to the amount of the Earnest Money (or remaining balance thereof) in the event the Closing does not occur due to a default of Purchaser under this Agreement; and (iv) the Earnest Money (or remaining balance thereof) shall be and constitute valid liquidated damages.

#### 12. SECTION 1031 EXCHANGE

A. Notwithstanding anything contained herein to the contrary, in accordance with the terms set forth herein, either party (the "Exchanging Party") shall be entitled, at its option, to structure the transfer of the Portfolio (or any portion thereof) from the Sellers to Purchaser as part of a non-simultaneous tax-deferred "like-kind" exchange under Section 1031 of the Code (a "Like-Kind Exchange") with respect to the Exchanging Party involving, in whole or part, real property other than the Portfolio (or any portion thereof).

B. If the Exchanging Party desires to effectuate a tax-free exchange as aforesaid, the Exchanging Party shall so notify the other party (the "Cooperating Party") no later than five (5) business days prior to the Closing Date and shall at that time present to the Cooperating Party a written "Like-Kind Exchange Agreement" in form reasonably acceptable to both parties and which both parties shall execute. The Like-Kind Exchange Agreement shall provide, among other things, that the Sellers shall receive at the Closing the Purchase Price. More generally, although the Cooperating Party shall reasonably cooperate with the Exchanging Party to assist the Exchanging Party in accomplishing a Like-Kind Exchange, by so cooperating, the Cooperating Party shall incur no extra expense, no delays and no extra risks, and the Like-Kind

Exchange Agreement shall contain such indemnities and other provisions as will reasonably insulate the Cooperating Party from liability in connection with the Like-Kind Exchange. The Cooperating Party makes no representations or warranties to the Exchanging Party concerning the tax consequences of the Exchanging Party's actions in this regard. Apart from the obligation to sign the Like-Kind Exchange Agreement and convey or acquire (as the case may be) the Portfolio as provided herein, the Cooperating Party shall have no obligation or liability in connection with the Like-Kind Exchange and the Exchanging Party shall indemnify and hold the Cooperating Party harmless from any damages, liability and claims, including reasonable attorney's fees incurred by the Cooperating Party, in connection therewith. The parties hereby agree that the Cooperating Party shall not take title to any real estate other than the Portfolio (or any portion thereof).

13. MISCELLANEOUS

A. This Agreement shall not be canceled or merged upon consummation of the Closing.

B. Prior to the Closing, no party shall release to the public any information with respect to the transactions contemplated herein unless required to do so by applicable law.

C. Neither this Agreement nor any interest hereunder shall be assigned or transferred by the Sellers. Purchaser may assign or otherwise transfer all or any portion of its interest under this Agreement, including, without limitation, assignments of the right to purchase any manufactured homes or recreational vehicles to Realty Systems, Inc., or any other affiliate of Purchaser; provided however that no such assignment shall release Purchaser from any liability hereunder. As used in this Agreement, the term "Purchaser" shall be deemed to include any assignee or other transferee of any Purchaser. Subject to the foregoing, this Agreement shall inure to the benefit of and shall be binding upon the Sellers and Purchaser and their respective successors and assigns.

D. This Agreement constitutes the entire agreement between the Sellers and Purchaser with respect to the Portfolio and shall not be modified or amended except in a written document signed by all of the Sellers and Purchaser. Any prior agreement or understanding between the Sellers and Purchaser concerning the Portfolio (or any portion thereof) is hereby rendered null and void. All Exhibits attached to this Agreement are hereby incorporated herein and made a part of this Agreement.

E. [Intentionally Omitted].

F. This Agreement constitutes an offer by Purchaser which must be accepted by the Sellers within one (1) business day after the date execution copies of this Agreement are submitted by Purchaser to the Sellers for execution. If this Agreement is not so accepted and returned to Purchaser within said one (1) business day period, this offer shall be deemed revoked.

G. Time is of the essence of this Agreement. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which the period

of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday or legal holiday.

H. All questions regarding the construction, validity and interpretation of this Agreement shall be governed and interpreted in accordance with the laws of the State of Illinois.

I. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing and delivered personally (including delivery by overnight courier such as Airborne Express) or by facsimile, addressed as follows:

(i) If to Diversified or the Sellers:

Diversified Investments Services, LLC  
7625 Wisconsin Avenue  
Suite 150  
Bethesda, Maryland 20814  
Telephone: (800) 701-1535  
Telecopy: (916) 782-2902  
Attention: Gayle Benson

with a copy to:

Haile, Shaw & Pfaffenberger  
249 Royal Palm Way  
Suite 501  
Palm Beach, Florida 33480  
Telephone: (561) 833-5600  
Telecopy: (561) 296-0257  
Attention: Drennen L. Whitmire, Jr.

(ii) If to Purchaser:

MHC OPERATING LIMITED PARTNERSHIP  
c/o Manufactured Home Communities, Inc.  
Two North Riverside Plaza, Suite 800  
Chicago, Illinois 60606  
Telephone: (312) 279-1400  
Telecopy: (312) 279-1710  
Attention: President

With a copy to:

Manufactured Home Communities, Inc.  
Two North Riverside Plaza, Suite 800  
Chicago, Illinois 60606  
Telephone: (312) 279-1400  
Telecopy: (312) 279-1715  
Attention: General Counsel

and to:

Katten Muchin Zavis Rosenman  
525 West Monroe Street  
Suite 1600  
Chicago, Illinois 60661  
Telephone: (312) 902-5532  
Telecopy: (312) 577-8668  
Attention: Daniel J. Perlman

All notices given in accordance with the terms hereof shall be deemed received when delivered personally or, if sent by facsimile, as of the date of transmission provided an original of such facsimile is also sent by personal delivery. Any party hereto may change its address for receiving notices, requests, demands or other communications by notice sent in accordance with the terms of this Section 16(I).

J. At the Closing, each Fee Seller and Entity Seller shall deliver to Purchaser its affidavit stating, under penalty of perjury, such Seller's U.S. taxpayer identification number and that such Seller is not a foreign person within the meaning of Section 1445 of the Code. The purpose of this affidavit is to assure Purchaser that the withholding of taxes by Purchaser is not required by said Section 1445 upon such Seller's disposition of such Individual Property or Equity Interests (as applicable), and such certification shall be in form prescribed by said Section 1445 or regulations promulgated pursuant thereto. If any Seller does not deliver such an affidavit to Purchaser at the Closing, or if Purchaser has actual knowledge or receives notice that the affidavit is false, then, in either such event, Purchaser shall be entitled to withhold from the Sellers an amount equal to ten percent (10%) of the Purchase Price, which amount Purchaser shall report and pay over to the Internal Revenue Service within ten (10) days after the Closing as required by the Code or regulations promulgated pursuant thereto.

K. This Agreement may be executed in any number of identical counterparts, any or all of which may contain the signatures of fewer than all of the parties but all of which shall be taken together as a single instrument.

L. Notwithstanding anything herein to the contrary, except as reasonably necessary to comply with applicable securities laws, each party (and each employee, representative or other agent of each party) hereto may disclose to any and all persons, without limitation of any kind, any information with respect to the United States federal income "tax treatment" and "tax

structure" (in each case, within the meaning of Treasury Regulations Section 1.6011-4) of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to such parties (or their representatives) relating to such tax treatment and tax structure; provided that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, this sentence shall only apply to such portions of the document or similar item that relate to the United States federal income tax treatment or tax structure of the transactions contemplated hereby.

14. HOLDBACKS

A. Each Seller with respect to the Individual Property listed on Exhibit T attached hereto owned, directly or indirectly, by such Seller shall fund from its respective share of the proceeds of the Closing into an escrow account (the "Rent Increase Escrow") held by said Escrowee, the amount in the column entitled "Amount of Holdback" shown on Exhibit T. On each applicable Test Date (as shown on Exhibit T), Escrowee shall disburse the amount of the applicable holdback as follows:

(i) With respect to the Shangri La Property and the Sixth Avenue Property, to the applicable Sellers, an amount equal to (1) the product of (a) the number of executed permanent manufactured home leases in effect as of the Test Date (not to exceed the applicable number set forth in the column titled "# Sites" on Exhibit T) having a term of no less than twelve (12) months, (b) the monthly rental increase over the existing monthly rental applicable to each such lease (but in no event more than the applicable amount set forth in the "Site Rent" column on Exhibit T), and (c) twelve (12) months; divided by (2) the applicable Cap Rate Net of Defeasance shown on Exhibit T. The balance of the Amount of Holdback shall be disbursed to Purchaser.

(ii) With respect to the Cactus Gardens Property, Desert Paradise Property, Suni Sands Property, Goose Creek Property and Waterway RV Property, (1) the product of (a) the number of executed permanent recreational vehicle site leases in effect as of the Test Date (not to exceed the applicable number set forth in the column titled "# Sites" on Exhibit T) for the following season, and (b) the seasonal rental increase over the existing seasonal applicable to each such lease (but in no event more than the applicable amount set forth in the "Site Rent" column on Exhibit T) divided by (2) the applicable Cap Rate Net of Defeasance shown on Exhibit T. The balance of the Amount of Holdback shall be disbursed to Purchaser.

The parties agree to deliver notice of the rental increases set forth on the column titled "Site Rent" to the tenants at each applicable Individual Property at the time required in order to have the rental increase in effect as of the applicable Test Date.

B. Each Seller with respect to the Individual Property listed on Exhibit X attached hereto owned, directly or indirectly, by such Seller shall fund from its respective share of the proceeds of the Closing into an escrow account (the "Rental Home Escrow") held by Escrowee an amount equal to the "Amount of Holdback" shown on said Exhibit X. On April 1, 2004 (the



"Rental Home Test Date"), Escrowee shall disburse the following amount to each applicable Seller: (1) the product of (a) the number (not to exceed the number listed under the column "# Sites" on Exhibit X) of executed seasonal rental home agreements existing on the Rental Home Test Date which are for a term of no less than three (3) months (provided that up to 50% of the number of sites may be subject to one or more agreements which provide for a term of not less than three (3) months in the aggregate), and for which the tenant is in occupancy with rental paid in advance for the entire season (the "Rental Home Agreement") and (b) the applicable full seasonal rental amount for each Rental Home Agreement (not to exceed the amount listed under the column "Site Rent" on Exhibit X); divided by (2) the applicable Cap Rate Net of Defeasance shown on Exhibit X. The balance, if any, of the Amount of Holdback shall be paid to Purchaser on the Rental Home Test Date. Purchaser shall use commercially reasonable efforts to lease the unleased rental homes at lease rates and other lease terms which are consistent with those then in place at each applicable Individual Property.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

PURCHASER:

MHC OPERATING LIMITED PARTNERSHIP,  
an Illinois limited partnership

By: MANUFACTURED HOME COMMUNITIES,  
INC., a Maryland corporation, as its General  
Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SELLERS:

COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company

By: DIVERSIFIED INVESTMENTS -  
COACHWOOD COLONY MHP, LLC, a  
Florida limited liability company, as its  
Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS -  
COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

SHANGRI-LA MOBILE HOME PARK, L.P., a Delaware limited partnership, authorized to transact business in the State of Florida as SHANGRI-LA MOBILE HOME PARK OF LARGO, LTD.

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SHANGRI-LA, INC., a Delaware corporation, as its General Partner

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

WITNESSES:

DIVERSIFIED INVESTMENTS - SHANGRI-LA, INC., a Delaware corporation

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

WITNESSES:

TAMPA BAY COMMUNITIES, L.P., a Florida limited partnership

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TBC, INC., a Florida corporation, as its General Partner

By: \_\_\_\_\_  
Barry L. Haase  
CEO

WITNESSES:

SIXTH AVENUE, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SIXTH AVENUE LLC, a Florida limited liability company, as its Sole and Managing Member

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - SIXTH AVENUE, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

\_\_\_\_\_  
Name: \_\_\_\_\_

WITNESSES:

SOUTHERNAIRE MHP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SOUTHERNAIRE, LLC, a Florida limited liability company, as its Sole and Managing Member

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - SOUTHERNAIRE, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

\_\_\_\_\_  
Name: \_\_\_\_\_

WITNESSES:

TERRA CEIA, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_  
\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TERRA CEIA, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TERRA CEIA, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_  
\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_  
\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_  
\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

GOOSE CK, LLC, a North Carolina limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company, as its Sole Member

\_\_\_\_\_  
Name: \_\_\_\_\_

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

WATERWAY RV, LLC, a Delaware limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware limited liability company, as its Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SIERRA LAKES, L.L.C., a Delaware limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

CACTUS GARDENS RV, LLC, an Arizona limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - CACTUS GARDENS, LLC, an Arizona limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - CACTUS  
GARDENS, LLC, an Arizona limited liability  
company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DESERT PARADISE RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware limited  
liability company, as its Sole and Managing  
Member

By: DIVERSIFIED INVESTMENTS  
PARTNERS, LLC, a Delaware limited  
liability company, as its Managing  
Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SUNI SANDS, LLC, an Arizona limited liability  
company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SUNI  
SANDS, LLC, an Arizona limited liability  
company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager



WITNESSES:

DIVERSIFIED INVESTMENTS - SUNI SANDS,  
LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS SERVICES,  
LLC, a Delaware limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: Barry L. Haase  
Title: Manager

SCHEDULE OF EXHIBITS

EXHIBITS A-1 through A-11	Legal Descriptions of Land.
EXHIBITS B-1 through B-11	Schedules of Tangible Personal Property - to be attached within 15 days of the date of this Agreement pursuant to Section 8(A)(iii).
EXHIBITS C-1 through C-11	Rent Rolls Property - to be attached within 15 days of the date of this Agreement pursuant to Section 8(A)(i).
EXHIBITS D-1 through D-11	Schedules of Service Contracts Property - to be attached within 15 days of the date of this Agreement pursuant to Section 8(A)(ii).
EXHIBIT E	Intentionally Omitted.
EXHIBIT F	Schedule of Approved Rent Increases Property - to be attached pursuant to Section 3(H).
EXHIBIT G	Form of Warranty Deed.
EXHIBIT H	Form of Bill of Sale.
EXHIBIT I	Form of Letter to Tenants.
EXHIBIT J	Form of Letter to Vendors.
EXHIBIT K	Form of Assignment of Leases and Security Deposits.
EXHIBIT L	Form of Assignment of Service Contracts and Intangible Personal Property.
EXHIBIT M	Schedule of Property Net Operating Income - to be attached within 15 days after the date of this Agreement.
EXHIBIT N	Schedule of Additional Due Diligence Deliveries (Florida Developments).
EXHIBIT O	Schedule of Additional Due Diligence Deliveries (General).
EXHIBIT P	Form of Opinion of Counsel of Entity Sellers.

EXHIBIT Q-1 through Q-11 Description of Equity Interests - to be attached within 15 days after the date of this Agreement.

EXHIBIT R Form of Assignment and Assumption Agreement.

EXHIBIT S Intentionally Omitted.

EXHIBIT T Schedule of Rental Increase Holdback.

EXHIBIT U Intentionally Omitted.

EXHIBIT V Intentionally Omitted.

EXHIBIT W Form of Non-Imputation Affidavit.

EXHIBIT X Schedule of Rental Home Holdback.

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND  
[A-1 THROUGH A-11]

EXHIBIT "B"

SCHEDULES OF TANGIBLE PERSONAL PROPERTY  
[B-1 THROUGH B-11]

(TO BE ATTACHED WITHIN 15 DAYS AFTER THE DATE OF THIS AGREEMENT)

EXHIBIT "C"

RENT ROLLS

[C-1 THROUGH C-11]

(TO BE ATTACHED WITHIN 15 DAYS AFTER THE DATE OF THIS AGREEMENT)

EXHIBIT "D"

SCHEDULES OF SERVICE CONTRACTS

[D-1 THROUGH D-11]

(TO BE ATTACHED WITHIN 15 DAYS AFTER THE DATE OF THIS AGREEMENT)

EXHIBIT "E"

INTENTIONALLY OMITTED.



EXHIBIT "F"

SCHEDULE OF APPROVED RENT INCREASES

(TO BE ATTACHED WITHIN 15 DAYS AFTER THE DATE OF THIS AGREEMENT)

EXHIBIT "G"

This Instrument Prepared by and Return to:  
Daniel J. Perlman, Esq.  
Katten Muchin Zavis Rosenman  
525 W. Monroe Street  
Suite 1600  
Chicago, Illinois 60661

TAX ACCOUNT NOS.: \_\_\_\_\_

WARRANTY DEED

THIS WARRANTY DEED made as of the \_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, having an address at c/o Diversified Investments Services, LLC, 7625 Wisconsin Ave., Suite 150, Bethesda, Maryland 20814 (hereinafter called "Grantor") to \_\_\_\_\_, a \_\_\_\_\_, having an address at c/o Manufactured Home Communities, Inc., Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606 (hereinafter called "Grantee").

(Where used herein, the terms "Grantor" and "Grantee" include all parties to this instrument and their respective legal representatives, successors and assigns).

WITNESSETH:

That the Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, by these presents does hereby grant, bargain, sell, alien, remise, release, convey and confirm unto the Grantee all that certain land situate and being in \_\_\_\_\_ County, \_\_\_\_\_, as more particularly described in Exhibit "A" attached hereto and incorporated herein (the "Property"), subject to those matters set forth on Exhibit "B" attached hereto and incorporated herein.

TO HAVE AND TO HOLD the same in fee simple forever.

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

AND the Grantor does hereby fully warrant the title to said Property, and will defend the same against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed the day and year first above written.

Signed, sealed and delivered in the presence of:

WITNESSES:

\_\_\_\_\_

a \_\_\_\_\_

\_\_\_\_\_  
Print Name:

By: \_\_\_\_\_

Barry L. Haase

\_\_\_\_\_  
Print Name:

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2004 by Barry L. Haase, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of the \_\_\_\_\_. Such person is personally known to me or has produced a \_\_\_\_\_ driver's license and did not take an oath.

\_\_\_\_\_  
NOTARY PUBLIC

Printed Name of Notary: \_\_\_\_\_

Commission No.: \_\_\_\_\_

Commission Expiration: \_\_\_\_\_

(NOTARIAL SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT B

PERMITTED EXCEPTIONS TO TITLE

EXHIBIT "H"

This Instrument Prepared by:  
Daniel J. Perlman  
Katten Muchin Zavis Rosenman  
525 W. Monroe Street  
Suite 1600  
Chicago, Illinois 60661

BILL OF SALE, ABSOLUTE

KNOW ALL MEN BY THESE PRESENTS, that \_\_\_\_\_,  
having an address at c/o Diversified Investments Services, LLC, 7625 Wisconsin  
Ave., Suite 150, Bethesda, Maryland 20814 (hereinafter called "Grantor"), for  
and in consideration of the sum of Ten and No/100 Dollars (\$10.00) lawful money  
of the United States, to it paid by \_\_\_\_\_, a \_\_\_\_\_  
\_\_\_\_\_ (hereinafter called "Grantee") having an address at c/o  
Manufactured Home Communities, Inc., Two North Riverside Plaza, Suite 800,  
Chicago, Illinois 60606, the receipt of which is hereby acknowledged, has  
granted, bargained, sold, transferred and delivered, and by these presents does  
grant, bargain, sell, transfer and deliver unto Grantee, its legal  
representatives, successors and assigns, the following personal property located  
on or about the real property comprising \_\_\_\_\_ Mobile Home Park in  
\_\_\_\_\_ County, \_\_\_\_\_, as more particularly described on  
Exhibit "A" attached hereto:

See Exhibit "B" attached hereto for personal property conveyed hereby.

TO HAVE AND TO HOLD the same unto Grantee, its legal representatives,  
successors and assigns forever.

AND Grantor does for itself and its representatives, successors and  
assigns, covenant to and with Grantee, its legal representatives, successors and  
assigns, that it is the lawful owner of the property specified herein, that it  
has good right to sell the property, that the property is free of all  
encumbrances, and that it will warrant and defend the sale of the property unto  
Grantee, its legal representatives, successors and assigns against the lawful  
claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed  
this \_\_\_\_ day of \_\_\_\_\_, 2004.

Signed, sealed and delivered in the presence  
of:

WITNESSES:

\_\_\_\_\_ )  
a \_\_\_\_\_ )

\_\_\_\_\_  
Print Name:

By: \_\_\_\_\_  
Barry L. Haase

\_\_\_\_\_  
Print Name:

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2004 by Barry L. Haase, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ on behalf of \_\_\_\_\_. Such person is personally known to me or has produced a \_\_\_\_\_ driver's license and did not take an oath.

\_\_\_\_\_  
NOTARY PUBLIC  
Printed Name of Notary: \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

(NOTARIAL SEAL)

EXHIBIT A

LEGAL DESCRIPTION



EXHIBIT B

SCHEDULE OF PERSONAL PROPERTY

All tangible personal property to be conveyed by Grantor to Grantee under the terms of that certain Purchase and Sale Agreement with date of December \_\_\_\_\_, 2003, including, without limitation, the personal property hereinafter described (see following pages):

EXHIBIT "I"

[LETTERHEAD OF SELLER]

\_\_\_\_\_, 2004

RE: [NAME OF DEVELOPMENT] (the "Property")

Dear Residents:

This is to advise you that as of the date hereof the Property has been sold to \_\_\_\_\_ ("Purchaser") whose address is Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606. Effective as of the date hereof, Purchaser is responsible for management of the Property.

Please continue to make all payments of rent and other charges due under your lease or occupancy agreement by mail or personal delivery to the management office at the Property.

Sincerely,

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT "J"

[LETTERHEAD OF SELLER]

\_\_\_\_\_, 2004

RE: [NAME OF DEVELOPMENT] (the "Property")

To Whom It May Concern:

This is to advise you that as of the date hereof the Property has been conveyed to \_\_\_\_\_ ("Purchaser"), whose address is Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606. Effective as of the date hereof, Purchaser is responsible for management of the Property.

Sincerely,

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT "K"

ASSIGNMENT OF LEASES AND SECURITY DEPOSITS

THIS ASSIGNMENT OF LEASES AND SECURITY DEPOSITS (this "Assignment") is made this \_\_\_ day of \_\_\_\_\_, 2004, by and between \_\_\_\_\_, having an address of c/o Diversified Investments Services, LLC, 7625 Wisconsin Ave., Suite 150, Bethesda, Maryland 20814 (hereinafter "Assignor") and \_\_\_\_\_, a \_\_\_\_\_, having an address of c/o Manufactured Home Communities, Inc., Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606 (hereinafter "Assignee").

WHEREAS, Assignor, by Warranty Deed of even date herewith, has conveyed to Assignee the land described in Exhibit "A" attached hereto and made a part hereof (the "Land"); and

WHEREAS, Assignor and Assignee intend that Assignor also assign to Assignee Assignor's interest as Lessor or Landlord under those certain manufactured home lot leases and other occupancy agreements as to portions of the Land (the "Leases") identified on Exhibit "B" attached hereto.

NOW, THEREFORE, Assignor and Assignee, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

1. Assignor by these presents does hereby assign to Assignee all of Assignor's right, title and interest in and to the Leases identified in Exhibit "B" attached hereto and by this reference incorporated herein and all security deposits and prepaid rents held by Assignor with respect to the Leases. Security deposits and prepaid rents have been assigned by giving Assignee a credit against the purchase price of the Land.

2. Assignor warrants and represents to Assignee that it is the Lessor or Landlord under the Leases and that its interest therein has not been pledged, assigned, mortgaged or otherwise transferred by Assignor, other than as collateral security for the existing first note and mortgage upon the Land.

3. Assignee hereby accepts such assignment upon the terms and subject to the conditions set forth herein, and Assignee hereby assumes and agrees to perform all covenants and obligations of Assignor under the Leases assigned hereby accruing or arising from, after and including the date hereof, with Assignor remaining responsible for all such covenants and obligations accruing or arising prior to the date hereof.

4. Assignor hereby agrees to indemnify, defend and hold Assignee harmless from and against all claims, costs, expenses, demands, actions, judgments and liabilities arising out of all matters or events related to the Lessor's or Landlord's obligations under the Leases arising

prior to the date hereof. Assignee hereby agrees to indemnify, defend and hold Assignor harmless from and against all claims, costs, expenses, demands, actions, judgments and liabilities arising out of all matters or events related to the Lessor's or Landlord's obligations under the Leases arising from, after and including the date hereof.

5. This Assignment shall be binding on and inure to the benefit of Assignor and Assignee, and their respective successors and assigns.

[Signature Page Follows]

EXECUTED as of the date first above written.

WITNESSES:

\_\_\_\_\_, a  
\_\_\_\_\_

Name:

By: \_\_\_\_\_  
Barry L. Haase

Name:

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2004 by Barry L. Haase, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ on behalf of \_\_\_\_\_. Such person is personally known to me or has produced a \_\_\_\_\_ driver's license and did not take an oath.

\_\_\_\_\_  
NOTARY PUBLIC  
Printed Name of Notary: \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

(NOTARIAL SEAL)

ACCEPTANCE OF ASSIGNMENT OF LEASES

\_\_\_\_\_, a \_\_\_\_\_, as Assignee in the above Assignment of Leases and Security Deposits ("Assignment"), does hereby consent to and accept said Assignment according to the terms therein set forth, and agree to abide by each and every of the terms of the Assignment.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2004.

Signed, sealed and delivered in the presence of:

\_\_\_\_\_, a \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_ day of \_\_\_\_\_, 2004 by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, on behalf of the \_\_\_\_\_

.. Such person is personally known to me or has produced a \_\_\_\_\_ driver's license as identification and did not take an oath.

\_\_\_\_\_  
NOTARY PUBLIC  
Printed Name of Notary: \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

(NOTARIAL SEAL)

EXHIBIT A

LEGAL DESCRIPTION



EXHIBIT B  
SCHEDULE OF LEASES

EXHIBIT "L"

ASSIGNMENT OF SERVICE CONTRACTS  
AND INTANGIBLE PERSONAL PROPERTY

THIS ASSIGNMENT OF SERVICE CONTRACTS AND INTANGIBLE PERSONAL PROPERTY ("Assignment") is made this \_\_\_ day of \_\_\_\_\_, 2004, by and between \_\_\_\_\_, having an address of c/o Diversified Investments Services, LLC, 7625 Wisconsin Ave., Suite 150, Bethesda, Maryland 20814 ("Assignor") to \_\_\_\_\_, a \_\_\_\_\_, having an address of c/o Manufactured Home Communities, Inc., Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606 ("Assignee").

I.  
RECITALS

1.1 Assignor, as Seller, has agreed to sell its interest in the land described in Exhibit "A" attached hereto (the "Land") and all buildings and other improvements owned by Assignor constructed thereon (the "Improvements") (the Land and the Improvements shall sometimes hereinafter together be referred to as the "Property") to Assignee, as Buyer, pursuant to the terms of that certain Purchase and Sale Agreement between (among other parties) Assignor, as Seller, and Assignee, as Buyer, with effective date of December \_\_\_, 2003.

1.2 Assignor has entered into certain service contracts for the benefit of the Property as described in Exhibit "B" attached hereto and made a part hereof (the "Service Contracts").

1.3 Assignor desires to assign to Assignee, and Assignee desires to acquire, all right, title and interest of Assignor in and to the Service Contracts, in and to the fictitious name "\_\_\_\_\_" as registered with the Secretary of State of the State of \_\_\_\_\_, in and to the telephone number (\_\_\_\_) \_\_\_\_\_ and facsimile number (\_\_\_\_) \_\_\_\_\_ currently used by \_\_\_\_\_ Manufactured Home Community, to the extent that same are legally assignable absent the consent of the issuing or granting party, governmental agency or authority, and all right, title and interest of Assignor in and to all licenses, permits and manufacturer, contractor or supplier warranties relating to the Land and/or the Improvements (collectively, the "Intangible Personal Property").

II.  
AGREEMENT

2.1 In consideration of the sum of Ten Dollars (\$10.00) paid by Assignee, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns to Assignee all of its right, title and interest in and to the Service Contracts and the Intangible Personal Property.

2.2 Assignor warrants and represents to Assignee that its interest in the Service Contracts and Intangible Personal Property has not been pledged, assigned, mortgaged or otherwise transferred by Assignor, other than as collateral security for the first note and mortgage upon the Land.

2.3 Assignee hereby accepts such assignment upon the terms and subject to the conditions set forth herein, and Assignee hereby assumes and agrees to perform all covenants and obligations of Assignor under the Service Contracts and Intangible Personal Property assigned hereby accruing or arising from, after and including the date hereof, with Assignor remaining responsible for all such covenants and obligations arising prior to the date hereof.

2.4 Assignor hereby agrees to indemnify, defend and hold Assignee harmless from and against all claims, costs, expenses, demands, actions, judgments and liabilities arising out of all matters or events related to Assignor's obligations under the Service Contracts and Intangible Personal Property arising prior to the date hereof. Assignee hereby agrees to indemnify, defend and hold Assignor harmless from and against all claims, costs, expenses, demands, actions, judgments and liabilities arising out of all matters or events related to Assignor's obligations under the Service Contracts and Intangible Personal Property arising from, after and including the date hereof.

2.5 This Assignment shall be binding on and inure to the benefit of Assignor and Assignee, and their respective successors and assigns.

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns from the date hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor has executed these presents as of the day and year first hereinabove written.

Signed, sealed and delivered  
in the presence of:

WITNESSES:

\_\_\_\_\_

a \_\_\_\_\_

\_\_\_\_\_

Print Name:

By: \_\_\_\_\_

Barry L. Haase

\_\_\_\_\_

Print Name:

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2004 by Barry L. Haase, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ on behalf of \_\_\_\_\_. Such person is personally known to me or has produced a \_\_\_\_\_ driver's license and did not take an oath.

(NOTARIAL SEAL)

\_\_\_\_\_  
NOTARY PUBLIC  
Printed Name of Notary: \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

ACCEPTANCE OF ASSIGNMENT OF SERVICE CONTRACTS  
AND INTANGIBLE PERSONAL PROPERTY

\_\_\_\_\_, a \_\_\_\_\_, as Assignee under the above Assignment of Service Contracts and Intangible Personal Property ("Assignment"), does hereby consent to and accept said Assignment according to the terms therein set forth, and agrees to abide by each and every of the terms of the Assignment.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2004.

Signed, sealed and delivered  
in the presence of:

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of the \_\_\_\_\_. Such person is personally known to me or has produced a \_\_\_\_\_ driver's license as identification and did not take an oath.

\_\_\_\_\_  
NOTARY PUBLIC  
Printed Name of Notary: \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

(NOTARIAL SEAL)

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B  
SCHEDULE OF SERVICE CONTRACTS



EXHIBIT "M"

SCHEDULE OF PROPERTY NET OPERATING INCOME

(TO BE COMPLETED WITHIN 15 DAYS AFTER THE DATE OF THIS AGREEMENT)

PROPERTY -----	SITES -----	NOI * -----
1.		\$
2.		\$
3.		\$
4.		\$
5.		\$
6.		\$
7.		\$
8.		\$
9.		\$
10.		\$
11.		\$
	Total:	\$

\*annualized net operating income

EXHIBIT "N"

SCHEDULE OF ADDITIONAL DUE DILIGENCE DELIVERIES (FLORIDA DEVELOPMENTS)

1. Confirmation that annual filing fees have been paid to the Florida Department of Business and Professional Regulation (the "Department").
2. Confirmation of approval by the Department of all prospectuses utilized with respect to each Florida Development, and identification of the lots to which each prospectus applies.
3. Confirmation that the applicable prospectus was delivered to each tenant and completed with correct information for such tenant's lot.
4. Confirmation that Leases are signed and are in the file for the initial term of each tenant, as well as copies of Leases signed for subsequent terms, if any.
5. Confirmation that the approved prospectus(es), if approved prior to 1988, have been amended to conform to statutory changes made in 1986 and 1988.
6. Confirmation that records of meetings with the tenants' negotiation committee for any year in which the rent was contested include a written record of the "material factors" used in establishing the lot rental amount as disclosed to the committee, pursuant to Rule 7D 32.004, Fla. Admin. Code.
7. Confirmation that records of security deposits, if any, are maintained in appropriate accounts pursuant to the requirements of Section 83.49, Florida Statutes. If there are deposits, provisions must be made to transfer those funds to Purchaser at Closing.
8. Copies of rental increase notices from 1987 to the present with confirmation of mailing within ninety-five (95) days of effective date.
9. Confirmation that rental increase notices have been filed with the Department for the years 1992 to the present.
10. Confirmation that all advertising that has been used with respect to each Florida Development since 1987 has been filed with the Department. A copy of all advertising used should be made available to Purchaser upon demand.
11. Written confirmation that the homeowners association at each Florida Development was incorporated in accordance with Section 723.075 - 723.079, Florida Statutes. There should be notification by the homeowners association of such incorporation by certified mail, return receipt requested.
12. Written confirmation that any notices of changes in each Florida Development's rules or regulations, reductions in services or utilities or amendments to each Florida Development's prospectus(es) have been filed with the Department.

13. Confirmation that Seller has complied with the notice provisions of Section 723.071(2), Florida Statutes.

14. With respect to any Individual Property considered exempt from sales tax, a copy of the DR-72-2 filed with the Florida Department of Revenue ("FDOR") and the Certificate of Registration issued by the FDOR for 2001, 2002 and 2003.

EXHIBIT "0"

SCHEDULE OF ADDITIONAL DUE DILIGENCE DELIVERIES (GENERAL)

1. Blueprints of existing as-builts, including grading, utilities, common area facilities, etc.
2. Schedule of all contracts relating to miscellaneous revenues (laundry, vending, cable television, etc.) (if different from Service Contracts).
3. Schedule of current employee salaries and related benefits.
4. Intentionally omitted.
5. Copies of all real estate and personal property tax bills for the prior two (2) years and all correspondence relating to said real estate or personal property tax bills.
6. Schedule of all utility bills with vendor name, account number and payments for the prior two (2) years.
7. Intentionally omitted.
8. Schedule of all current litigation related to the Property or its tenants and correspondence relating to any open litigation or zoning disputes relating to the Property.
9. Accounts receivable aging report and written description of current collection and late fee policies.
10. Paid bill files and check registers for review for the prior two (2) years.
11. Copies of all permits and licenses (front and back), including certificate(s) of occupancy.
12. Copies of all warranties still in effect.
13. Schedule of all current zoning violations or disputes.
14. Bank statements for the prior two (2) years for the account where rental revenues are deposited, including related enclosures.
15. General ledger reports for the prior two (2) years.
16. Rent rolls for the prior two (2) years.
17. Copies of all paid repair and maintenance invoices over \$500.00.
18. Copies of all paid administrative invoices over \$500.00.
19. Tenant correspondence, including rent increase notices, advertisements, tenant applications, tenant reports, tenant work orders or maintenance requests, and security

complaints (or security log, if this is the methodology for tracking security complaints/incidents).

20. Existing environmental, engineering, soil testing and appraisal reports, if any.
21. Intentionally omitted.
22. Current-year operating and capital budget, if any.
23. Five (5) year capital budget, if any.
24. Copies of 2003 sales tax returns, if any.
25. Copies of organizational documents of the Property Owners.
26. Copies of 2002 federal income tax return of each Entity Seller.

EXHIBIT "P"

FORM OF OPINION OF COUNSEL

Unless otherwise defined herein, the definitions of capitalized terms used in this opinion shall be the same as those set forth in the Purchase and Sale Agreement (the "Agreement") dated as of December \_\_\_\_, 2003 by and among MHC Operating Limited Partnership, Diversified Investments Services, LLC, and the Sellers (as defined in the Agreement).

A. Each Seller and each Property Owner is duly organized, validly existing and in good standing under the laws of the state of its organization and has full power and authority to carry on its business as it is now being conducted.

B. The execution and delivery of the Transaction Documents, and the performance by each of the Sellers of their respective obligations thereunder, will not (i) violate the organizational documents of such Seller, (ii) to our knowledge, result in a breach of any of the terms or conditions of or constitute a default under any material written indenture, contract, instrument, agreement, lease or license to which any of the Sellers or any Property Owner is a party or by which any of the Sellers or any Property Owner is bound; or (iii) to our knowledge, constitute an event which would permit any party to modify, alter, amend, cancel or otherwise affect or terminate any such indenture, contract, instrument, agreement or license. To our knowledge, none of the Sellers nor any Property Owner is a party to, nor expressly bound by, any judgment, injunction or decree of any court or governmental authority which would restrict or interfere with the performance by the Sellers of their respective obligations under the Transaction Documents.

C. The execution and delivery of the Transaction Documents, and the performance by each of the Sellers of their respective obligations thereunder, have been duly authorized by all requisite corporate, partnership or limited liability company action, as applicable.

D. The Transaction Documents have been duly executed and delivered by each of the Sellers.

E. The Transaction Documents are enforceable against each of the Sellers in accordance with their terms.

F. Immediately prior to the consummation of the Transaction, the Entity Sellers were the sole registered owners of the Equity Interests. Assuming Purchaser has purchased the Equity Interests for value in good faith and without notice of any adverse claim, Purchaser will have acquired all of the Entity Sellers' rights in the Equity Interests free of any adverse claim, any lien in favor of the issuer and any restrictions on transfer imposed by the issuer.

G. No consent, approval, order or authorization of, or registration, declaration or filing with, any governmental authority is required for the execution and delivery by each of the Sellers of the Transaction Documents and for the consummation by each of the Sellers of the Transaction.

EXHIBIT "Q-1" THROUGH "Q-11"

DESCRIPTION OF EQUITY INTERESTS

[SEE ATTACHED]

(TO BE ATTACHED WITHIN 15 DAYS AFTER THE DATE OF THIS AGREEMENT)

EXHIBIT "R"

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made as of \_\_\_\_\_, 2004 by \_\_\_\_\_ ("Assignor"), a limited partner of \_\_\_\_\_, L.P., a \_\_\_\_\_ limited partnership (the "Partnership"), in favor of \_\_\_\_\_, a ("Assignee"). This Assignment is being entered into pursuant to that certain Purchase and Sale Agreement (the "Agreement") dated as of December \_\_\_\_\_, 2003, by and among Assignee, Diversified Investments Services, LLC, a Delaware limited liability company and the Sellers (as defined in the Agreement).

A. Assignor hereby assigns, sets over, transfers, grants and conveys unto Assignee all of Assignor's right, title and interest in and to the Partnership, including, without limitation, Assignor's interest as a limited partner of the Partnership (collectively, the "Interest"), free and clear of all liens, claims and encumbrances.

B. Assignee hereby accepts such assignment of the Interest from Assignor and assumes all of the liabilities of Assignor with respect to the Interest arising on and after the date hereof and agrees to perform all of the duties and obligations to be performed by Assignor under the Agreement of Limited Partnership of the Partnership, dated as of \_\_\_\_\_, as the same may be amended from time to time (with Assignor remaining responsible for all such liabilities, duties and obligations accruing or arising prior to the date hereof).

C. The foregoing assignments, setting over, transfers, grants and conveyances are made without representation or warranty of any kind or nature whatsoever, except as may otherwise be expressly set forth in the Agreement. The parties agree to take any further actions and execute and deliver any additional documents which may be necessary or appropriate to evidence and/or effect the transfer and assignment of the Interest from Assignor to Assignee.

IN WITNESS WHEREOF, the undersigned have caused this Assignment to be executed as of the date first above written.

ASSIGNOR:

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ASSIGNEE:

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_



EXHIBIT "S"

INTENTIONALLY OMITTED

EXHIBIT "T"

SCHEDULE OF RENT INCREASE HOLDBACK

	SITE RENT	# SITES	RESULTING INCOME	CAP RATE NET OF DEFEASANCE	AMOUNT OF HOLDBACK	TEST DATE
SHANGRI LA	9.00	157	\$ 16,956	7.10%	\$ 238,817	04/01/04
SIXTH AVE.	10.00	127	\$ 15,240	7.75%	\$ 196,645	05/01/04
CACTUS GARDENS	75.00	277	\$ 20,775	7.62%	\$ 272,638	10/01/04
DESERT PARADISE	50.00	67	\$ 3,350	7.42%	\$ 45,148	10/01/04
SUNI SANDS	50.00	181	\$ 9,050	8.56%	\$ 105,724	11/15/04
GOOSE CREEK RESORT	160.00	498	\$ 79,680	6.99%	\$1,139,914	04/01/04
WATERWAY RV	200.00	331	\$ 66,200	7.16%	\$ 924,581	04/01/04
TOTAL					\$2,923,468	

EXHIBIT "U"

INTENTIONALLY OMITTED.

EXHIBIT "V"

INTENTIONALLY OMITTED.

EXHIBIT "W"

FORM OF NON-IMPUTATION AFFIDAVIT

State of \_\_\_\_\_ )  
 \_\_\_\_\_ ) ss  
 County of \_\_\_\_\_ )

The undersigned, after being first duly sworn, states as follows:

1. The undersigned are all of the members of \_\_\_\_, a \_\_\_\_ ("Company") which owns the properties described in Exhibit A attached hereto ("Properties").
  
2. To the best of the knowledge of the undersigned, there exists no unrecorded deed, land contract, lease, option to purchase, mortgage, deed of trust, judgment lien, tax lien, agreement or other instrument or encumbrance affecting title to any of the Properties, other than as described in Title Insurance Commitment Number \_\_\_\_\_ issued by \_\_\_\_\_ on \_\_\_\_\_ (the "Title Commitment").
  
3. Neither the Company nor any of its members have done anything to create any deed, land contract, lease, option to purchase, mortgage, deed of trust, judgment lien, tax lien, agreement or other instrument or encumbrance affecting title to any of the Properties, other than as disclosed in the Title Commitment.
  
4. There exists no litigation nor threatened litigation against the Company which purports to affect the Properties.
  
5. An independent examination of the business records of the Company would reveal that the records would not disclose or suggest the existence of any unrecorded legal or equitable interests in the Properties.
  
6. The undersigned make this affidavit for the purpose of inducing MHC Operating Limited Partnership, an Illinois limited partnership ("MHC") to close the transactions contemplated by that certain Purchase and Sale Agreement dated as of December \_\_\_\_, 2003 between MHC, as purchaser, and Diversified Investments Services, LLC, a Delaware limited liability company, and the Sellers (as defined therein), as amended from time to time, with the knowledge that MHC and its affiliate \_\_\_\_\_, L.L.C., a Delaware limited liability company (the "Membership Interest Purchaser") which is acquiring the membership interests in the Company will rely on the assurances and representations made herein.

[Remainder of page intentionally left blank]

Each of the undersigned certify under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT "X"

SCHEDULE OF RENTAL HOME HOLDBACK

	Site Rent	# Sites	Resulting Income	Cap Rate Net of Defeasance	Amount of Holdback	Test Date
	-----					
TOPICS RV RESORT	\$1,500.00	10	15,000	8.01%	\$ 187,266	04/01/04
DESERT PARADISE	\$1,800.00	10	18,000	7.42%	\$ 242,558	04/01/04
SUNI SANDS	\$1,800.00	20	36,000	8.56%	\$ 420,561	04/01/04
					-----	
TOTAL					\$ 850,414	

DIVERSIFIED INVESTMENTS PORTFOLIO

FIRST AMENDMENT TO  
PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of the 23rd day of December, 2003, by and among MHC OPERATING LIMITED PARTNERSHIP (together with its affiliates, designees and assigns, the "Purchaser"), an Illinois limited partnership having an address of Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606, DIVERSIFIED INVESTMENTS SERVICES, LLC ("Diversified"), a Delaware limited liability company having an address of 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814, and the Sellers, each having an address of c/o Diversified Investments Services, LLC, 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814.

R E C I T A L S:

A. The parties hereto have entered into that certain Purchase and Sale Agreement dated as of December 8, 2003 (the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

B. The parties hereto desire to amend the Purchase Agreement as hereinafter provided.

THEREFORE, the parties hereto agree to amend the Purchase Agreement as follows:

A G R E E M E N T:

1. CACTUS GARDENS. Sections 5.A. and 5.C.(v) are amended to reflect that Purchaser has submitted a loan application to LaSalle Bank National Association ("LaSalle") for a first mortgage loan to be secured by the Cactus Gardens Property with a loan amount of \$4,500,000 (the "Cactus Gardens Loan Application"). The loan proceeds of \$4,500,000 is based on preliminary underwriting by LaSalle which is subject to further underwriting by LaSalle. As soon as Purchaser and Seller receive approval from the servicer of the current loan on the Cactus Gardens Property that such loan can be defeased within ninety (90) days, Purchaser intends to enter into a rate lock agreement with LaSalle for \$4,500,000 for a loan for the Cactus Gardens Property. The Closing Date for the Cactus Gardens Property shall occur on a date which is mutually agreed upon by the parties hereto which is within the 90 day rate lock period but not later than May 15, 2004. To induce Purchaser to enter into a rate lock agreement for the loan for the Cactus Gardens Property, Seller hereby waives its right not to sell the Cactus Gardens Property to Purchaser based on the proceeds of the loan being below \$5,050,000. Purchaser and Seller shall use commercially reasonable efforts to cause LaSalle to increase the amount of the first mortgage loan on the Cactus Gardens Property above \$4,500,000 on the same terms contained in the Cactus Gardens Loan Application attached hereto as Exhibit A (the "Application"), provided that Purchaser agrees to pay the then current market interest rate on that portion of the Cactus Gardens Property first mortgage loan which exceeds \$4,500,000 based on the terms of the Application (but without the rate lock feature in place on the \$4,500,000). Seller acknowledges that to the extent that loan proceeds made available by LaSalle from the loan on



the Cactus Gardens Property is materially less than \$5,050,000, Purchaser shall receive a credit against the Purchase Price allocated to the Cactus Gardens Property in an amount equal to the amount by which said loan proceeds are less than \$5,050,000. For example, if such loan proceeds equal \$5,000,000, Purchaser will receive a credit against the Purchase Price equal to \$50,000.

2. EFFECT. Except as amended herein, all terms and provisions contained in the Purchase Agreement shall remain in full force and effect.

3. COUNTERPARTS. This Amendment may be executed in one or more counterparts, all of which taken together shall constitute one and the same agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the respective dates set forth below.

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

PURCHASER:

MHC OPERATING PARTNERSHIP,  
an Illinois limited partnership

By: MANUFACTURED HOME COMMUNITIES, INC.,  
a Maryland corporation, its general  
partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: December \_\_\_\_, 2003

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SELLERS:

COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company

By: DIVERSIFIED INVESTMENTS - COACHWOOD  
COLONY MHP, LLC, a Florida limited  
liability company, as its Sole and  
Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - COACHWOOD  
COLONY MHP, LLC, a Florida limited  
liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SHANGRI-LA MOBILE HOME PARK, L.P., a  
Delaware limited partnership, authorized  
to transact business in the State of  
Florida as SHANGRI-LA MOBILE HOME PARK OF  
LARGO, LTD.

By: DIVERSIFIED INVESTMENTS - SHANGRI-LA,  
INC., a Delaware corporation, as its  
General Partner

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

WITNESSES:

DIVERSIFIED INVESTMENTS - SHANGRI-LA, INC., a Delaware corporation

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

\_\_\_\_\_  
Name: \_\_\_\_\_

WITNESSES:

TAMPA BAY COMMUNITIES, L.P., a Florida limited partnership

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TBC, INC., a Florida corporation, as its General Partner

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
CEO

WITNESSES:

SIXTH AVENUE, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SIXTH AVENUE LLC, a Florida limited liability company, as its Sole and Managing Member

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - SIXTH AVENUE, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

\_\_\_\_\_  
Name: \_\_\_\_\_

WITNESSES:

SOUTHERNAIRE MHP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS -  
SOUTHERNAIRE, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - SOUTHERNAIRE, LLC, a Florida limited liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

TERRA CEIA, LLC, a Florida limited liability company

By: DIVERSIFIED INVESTMENTS - TERRA CEIA, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - TERRA CEIA, LLC, a Florida limited liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

GOOSE CK, LLC, a North Carolina limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company, as its Sole Member

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

WATERWAY RV, LLC, a Delaware limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware limited liability company, as its Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SIERRA LAKES, L.L.C., a Delaware limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

CACTUS GARDENS RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - CACTUS  
GARDENS, LLC, an Arizona limited  
liability company, as its Managing  
Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - CACTUS GARDENS,  
LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DESERT PARADISE RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware  
limited liability company, as its  
Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS,  
LLC, a Delaware limited liability  
company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member



WITNESSES:

SUNI SANDS, LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS SERVICES, LLC, a Delaware limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Barry L. Haase  
Title: Manager

## DIVERSIFIED INVESTMENTS PORTFOLIO

SECOND AMENDMENT TO  
PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of the 21st day of January, 2004, by and among MHC OPERATING LIMITED PARTNERSHIP (together with its affiliates, designees and assigns, the "Purchaser"), an Illinois limited partnership having an address of Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606, DIVERSIFIED INVESTMENTS SERVICES, LLC ("Diversified"), a Delaware limited liability company having an address of 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814, and the Sellers, each having an address of c/o Diversified Investments Services, LLC, 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814.

## R E C I T A L S:

A. The parties hereto have entered into that certain Purchase and Sale Agreement dated as of December 8, 2003 (the "Original Agreement") as amended by that certain First Amendment to Purchase and Sale Agreement dated December, 23, 2003 (the "First Amendment," together with the Original Agreement, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

B. The parties hereto desire to amend the Purchase Agreement as hereinafter provided.

THEREFORE, the parties hereto agree to amend the Purchase Agreement as follows:

## A G R E E M E N T:

1. Reference is hereby made to that certain Amended and Restated Subscription Agreement dated as of January, 2004 (the "Subscription Agreement") by and among Purchaser and Resort Communities, LLC, a Delaware limited liability company ("Resort"), Diversified Investments-RC, LLC, a Delaware limited liability company ("DI-RC"), North South Communities, LLC, a Delaware limited liability company ("North South"), Diversified Investments-NS, LLC, a Delaware limited liability company ("DI-NS"), Select Resort Communities, LLC, a Delaware limited liability company ("Select"), Diversified Investments-SRC, LLC, a Delaware limited liability company ("DI-SRC"), Buccaneer Communities, L.P., a Delaware limited partnership ("Buccaneer"), Diversified Investments-BC, Inc., a Delaware corporation, or such other limited liability company as may be substituted for Diversified Investments-BC, Inc. (Collectively, "DI-BC"), Tampa Bay Communities, L.P., a Delaware limited partnership ("Tampa Bay"), Diversified Investments-TBC, Inc., a Delaware corporation, or such other limited liability company as may be substituted for Diversified Investments-TBC, Inc. (collectively, "DI-TBC"), Diverse Communities, LLC, a Delaware limited liability company ("Diverse"), and Diversified Investments - Flozona, LLC, a Delaware limited liability company ("DI-Flozona").

2. Section 5 A of the Purchase Agreement is hereby amended to read as follows:

5. A CLOSING DATES. The closing ("Closing") of the transaction contemplated by this Agreement (i.e., the payment of the Purchase Price, the transfer and assignment of the Equity Interests, the transfer of title to the applicable Individual Properties (if applicable), and the satisfaction of all other terms and conditions of this Agreement) shall be commenced simultaneously with the closing of the transaction as contemplated by the Subscription Agreement (as referenced in Section 9 H hereof) on January 30, 2004 (the "Closing Date"). Notwithstanding anything contained herein to the contrary, and subject to the provisions of Section 5C(v) below, (i) the Closing Date for the Cactus Gardens Property shall occur upon a date which is mutually agreed upon by the parties hereto but which is after the expiration or waiver of the defeasance lockout period for the mortgage loan encumbering such property, but in no event earlier than January 30, 2004 or later than May 15, 2004, (ii) in such event the Purchase Price allocated to the Cactus Gardens Property shall be \$7,725,141, and (iii) an allocable portion of the Earnest Money based on Purchase Price allocations shall be held back as Earnest Money for the Cactus Gardens Closing. If the date of Closing above provided for falls on a Saturday, Sunday or legal holiday, the Closing Date shall take place on the next business day. The terms of the First Amendment shall continue to modify this Section 5 A.

3. Section 9 D of the Purchase Agreement is hereby deleted, provided that Equity Seller of the \_\_\_\_\_ property and the \_\_\_\_\_ property shall jointly indemnify Purchaser for any loss or damage sustained by a failure of the requirements set forth in Section 9 D, limited, however, to the extent of \$25,000 in the aggregate, and which amount shall be credited against Seller's obligations under the Holdback Escrow provided in Section 7G.

4. Section 9 H of the Purchase Agreement is amended by adding the following at the end thereof: "and the conditions precedent under the Subscription Agreement have all been satisfied and the closing thereunder has commenced."

5. EFFECT. Except as amended herein, all terms and provisions contained in the Purchase Agreement shall remain in full force and effect.

6. COUNTERPARTS. This Amendment may be executed in one or more counterparts, all of which taken together shall constitute one and the same agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the respective dates set forth below.

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

PURCHASER:

MHC OPERATING PARTNERSHIP,  
an Illinois limited partnership

By: MANUFACTURED HOME COMMUNITIES, INC.,  
a Maryland corporation, its general  
partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: January \_\_, 2004

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SELLERS:

COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company

By: DIVERSIFIED INVESTMENTS -  
COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company, as its  
Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS -  
COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SHANGRI-LA MOBILE HOME PARK, L.P., a  
Delaware limited partnership, authorized  
to transact business in the State of  
Florida as SHANGRI-LA MOBILE HOME PARK OF  
LARGO, LTD.

By: DIVERSIFIED INVESTMENTS - SHANGRI-LA,  
INC., a Delaware corporation, as its  
General Partner

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - SHANGRI-LA,  
INC., a Delaware corporation

By: \_\_\_\_\_

Barry L. Haase  
Chairman

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

TAMPA BAY COMMUNITIES, L.P., a Florida  
limited partnership

By: DIVERSIFIED INVESTMENTS - TBC, INC.,  
a Florida corporation, as its  
General Partner

By: \_\_\_\_\_

Barry L. Haase  
CEO

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SIXTH AVENUE, LLC, a Florida limited  
liability company

By: DIVERSIFIED INVESTMENTS - SIXTH  
AVENUE LLC, a Florida limited  
liability company, as its Sole and  
Managing Member

By: \_\_\_\_\_

Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - SIXTH AVENUE,  
LLC, a Florida limited liability company

By: \_\_\_\_\_

Barry L. Haase  
Manager

WITNESSES:

SOUTHERNAIRE MHP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS -  
SOUTHERNAIRE, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS -  
SOUTHERNAIRE, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

TERRA CEIA, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TERRA CEIA, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TERRA CEIA, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

GOOSE CK, LLC, a North Carolina limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company, as its Sole Member

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member



WITNESSES:

DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

WATERWAY RV, LLC, a Delaware limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware limited liability company, as its Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SIERRA LAKES, L.L.C., a Delaware limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

CACTUS GARDENS RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - CACTUS  
GARDENS, LLC, an Arizona limited  
liability company, as its Managing  
Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - CACTUS GARDENS,  
LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DESERT PARADISE RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware  
limited liability company, as its  
Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS,  
LLC, a Delaware limited liability  
company, as its Managing Member  
  
By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SUNI SANDS, LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS SERVICES, LLC, a Delaware limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Barry L. Haase  
Title: Manager

DIVERSIFIED INVESTMENTS PORTFOLIO

THIRD AMENDMENT TO  
PURCHASE AND SALE AGREEMENT

THIS THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of the 22nd day of January, 2004, by and among MHC OPERATING LIMITED PARTNERSHIP (together with its affiliates, designees and assigns, the "Purchaser"), an Illinois limited partnership having an address of Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606, DIVERSIFIED INVESTMENTS SERVICES, LLC ("Diversified"), a Delaware limited liability company having an address of 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814, and the Sellers, each having an address of c/o Diversified Investments Services, LLC, 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814.

R E C I T A L S:

A. The parties hereto have entered into that certain Purchase and Sale Agreement dated as of December 8, 2003, as amended by that certain First Amendment to Purchase and Sale Agreement dated December 23, 2003 and further amended by that certain Second Amendment to Purchase and Sale Agreement dated January 21, 2004 (collectively, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

B. The parties hereto desire to amend the Purchase Agreement as hereinafter provided.

THEREFORE, the parties hereto agree to amend the Purchase Agreement as follows:

A G R E E M E N T:

1. INSPECTION PERIOD. Notwithstanding anything to the contrary contained in the Purchase Agreement, the Inspection Period as provided in Section 9A of the Purchase Agreement and amended by the Second Amendment to Purchase and Sale Agreement shall be extended through 5:00 p.m. (Chicago, Illinois time) on January 23, 2004.

2. EFFECT. Except as amended herein, all terms and provisions contained in the Purchase Agreement shall remain in full force and effect.

3. COUNTERPARTS. This Amendment may be executed in one or more counterparts, all of which taken together shall constitute one and the same agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the respective dates set forth below.

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

PURCHASER:

MHC OPERATING PARTNERSHIP,  
an Illinois limited partnership

By: MANUFACTURED HOME COMMUNITIES, INC.,  
a Maryland corporation, its general  
partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: January \_\_, 2004

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SELLERS:

COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company

By: DIVERSIFIED INVESTMENTS -  
COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company, as its  
Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS -  
COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SHANGRI-LA MOBILE HOME PARK, L.P., a  
Delaware limited partnership, authorized  
to transact business in the State of  
Florida as SHANGRI-LA MOBILE HOME PARK OF  
LARGO, LTD.

By: DIVERSIFIED INVESTMENTS - SHANGRI-LA,  
INC., a Delaware corporation, as its  
General Partner

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - SHANGRI-LA,  
INC., a Delaware corporation

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

TAMPA BAY COMMUNITIES, L.P., a Florida  
limited partnership

By: DIVERSIFIED INVESTMENTS - TBC, INC.,  
a Florida corporation, as its  
General Partner

By: \_\_\_\_\_  
Barry L. Haase  
CEO

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SIXTH AVENUE, LLC, a Florida limited  
liability company

By: DIVERSIFIED INVESTMENTS - SIXTH  
AVENUE LLC, a Florida limited  
liability company, as its Sole and  
Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - SIXTH AVENUE,  
LLC, a Florida limited liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

SOUTHERNAIRE MHP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS -  
SOUTHERNAIRE, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS -  
SOUTHERNAIRE, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

TERRA CEIA, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TERRA CEIA, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TERRA CEIA, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager



WITNESSES:

TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

GOOSE CK, LLC, a North Carolina limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company, as its Sole Member

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

WATERWAY RV, LLC, a Delaware limited liability company

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware limited liability company, as its Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SIERRA LAKES, L.L.C., a Delaware limited liability company

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

CACTUS GARDENS RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - CACTUS  
GARDENS, LLC, an Arizona limited  
liability company, as its Managing  
Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - CACTUS GARDENS,  
LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DESERT PARADISE RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware  
limited liability company, as its  
Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS,  
LLC, a Delaware limited liability  
company, as its Managing Member  
  
By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SUNI SANDS, LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS SERVICES, LLC, a Delaware limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Barry L. Haase  
Title: Manager

DIVERSIFIED INVESTMENTS PORTFOLIO

FOURTH AMENDMENT TO  
PURCHASE AND SALE AGREEMENT

THIS FOURTH AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of the 22nd day of January, 2004, by and among MHC OPERATING LIMITED PARTNERSHIP (together with its affiliates, designees and assigns, the "Purchaser"), an Illinois limited partnership having an address of Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606, DIVERSIFIED INVESTMENTS SERVICES, LLC ("Diversified"), a Delaware limited liability company having an address of 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814, and the Sellers, each having an address of c/o Diversified Investments Services, LLC, 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814.

R E C I T A L S:

A. The parties hereto have entered into that certain Purchase and Sale Agreement dated as of December 8, 2003, as amended by that certain First Amendment to Purchase and Sale Agreement dated December 23, 2003 that certain Second Amendment to Purchase and Sale Agreement dated January 22, 2004 and that certain Third Amendment to Purchase and Sale Agreement dated January 22, 2004 (collectively, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

B. The parties hereto desire to amend the Purchase Agreement as hereinafter provided.

THEREFORE, the parties hereto agree to amend the Purchase Agreement as follows:

A G R E E M E N T:

1. INSPECTION PERIOD. Notwithstanding anything to the contrary contained in the Purchase Agreement, the Inspection Period as provided in Section 9A of the Purchase Agreement shall be extended through 8:00 p.m. (Chicago, Illinois time) on January 23, 2004.

2. EFFECT. Except as amended herein, all terms and provisions contained in the Purchase Agreement shall remain in full force and effect.

3. COUNTERPARTS. This Amendment may be executed in one or more counterparts, all of which taken together shall constitute one and the same agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the respective dates set forth below.

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

PURCHASER:

MHC OPERATING PARTNERSHIP,  
an Illinois limited partnership

By: MANUFACTURED HOME COMMUNITIES, INC.,  
a Maryland corporation, its general  
partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: January \_\_, 2004

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SELLERS:

COACHWOOD COLONY MHP, LLC, a Florida  
limited liability company

By: DIVERSIFIED INVESTMENTS - COACHWOOD  
COLONY MHP, LLC, a Florida limited  
liability company, as its Sole and  
Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - COACHWOOD  
COLONY MHP, LLC, a Florida limited  
liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SHANGRI-LA MOBILE HOME PARK, L.P., a  
Delaware limited partnership, authorized  
to transact business in the State of  
Florida as SHANGRI-LA MOBILE HOME PARK OF  
LARGO, LTD.

By: DIVERSIFIED INVESTMENTS - SHANGRI-LA,  
INC., a Delaware corporation, as its  
General Partner

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - SHANGRI-LA,  
INC., a Delaware corporation

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

TAMPA BAY COMMUNITIES, L.P., a Florida  
limited partnership

By: DIVERSIFIED INVESTMENTS - TBC, INC.,  
a Florida corporation, as its  
General Partner

By: \_\_\_\_\_  
Barry L. Haase  
CEO

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SIXTH AVENUE, LLC, a Florida limited  
liability company

By: DIVERSIFIED INVESTMENTS - SIXTH  
AVENUE LLC, a Florida limited  
liability company, as its Sole and  
Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - SIXTH AVENUE,  
LLC, a Florida limited liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager



WITNESSES:

SOUTHERNAIRE MHP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS -  
SOUTHERNAIRE, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS -  
SOUTHERNAIRE, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

TERRA CEIA, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TERRA CEIA,  
LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TERRA CEIA,  
LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

GOOSE CK, LLC, a North Carolina limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company, as its Sole Member

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

WATERWAY RV, LLC, a Delaware limited liability company

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware limited liability company, as its Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SIERRA LAKES, L.L.C., a Delaware limited liability company

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

CACTUS GARDENS RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - CACTUS  
GARDENS, LLC, an Arizona limited  
liability company, as its Managing  
Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - CACTUS GARDENS,  
LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DESERT PARADISE RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware  
limited liability company, as its  
Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS,  
LLC, a Delaware limited liability  
company, as its Managing Member  
  
By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SUNI SANDS, LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS SERVICES, LLC, a Delaware limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Barry L. Haase  
Title: Manager

## DIVERSIFIED INVESTMENTS PORTFOLIO

FIFTH AMENDMENT TO  
PURCHASE AND SALE AGREEMENT

THIS FIFTH AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of the 23rd day of January, 2004, by and among MHC OPERATING LIMITED PARTNERSHIP (together with its affiliates, designees and assigns, the "Purchaser"), an Illinois limited partnership having an address of Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606, DIVERSIFIED INVESTMENTS SERVICES, LLC ("Diversified"), a Delaware limited liability company having an address of 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814, and the Sellers, each having an address of c/o Diversified Investments Services, LLC, 7625 Wisconsin Avenue, Suite 150, Bethesda, Maryland 20814.

## R E C I T A L S:

A. The parties hereto have entered into that certain Purchase and Sale Agreement dated as of December 8, 2003, as amended by that certain First Amendment to Purchase and Sale Agreement dated December 23, 2003 ("First Amendment") and that certain Second Amendment to Purchase and Sale Agreement dated January 21, 2004, that certain Third Amendment to Purchase and Sale Agreement dated January 22, 2004 and that certain Fourth Amendment to Purchase and Sale Agreement dated January 23, 2004 (collectively, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

B. The parties hereto desire to amend the Purchase Agreement as hereinafter provided.

THEREFORE, the parties hereto agree to amend the Purchase Agreement as follows:

## A G R E E M E N T:

1. Reference is hereby made to that certain Amended and Restated Subscription Agreement dated as of January, 2004 (the "Subscription Agreement") by and among Purchaser and Resort Communities, LLC, a Delaware limited liability company ("Resort"), Diversified Investments-RC, LLC, a Delaware limited liability company ("DI-RC"), North South Communities, LLC, a Delaware limited liability company ("North South"), Diversified Investments-NS, LLC, a Delaware limited liability company ("DI-NS"), Select Resort Communities, LLC, a Delaware limited liability company ("Select"), Diversified Investments-SRC, LLC, a Delaware limited liability company ("DI-SRC"), Buccaneer Communities, L.P., a Delaware limited partnership ("Buccaneer"), Diversified Investments-BC, Inc., a Delaware corporation, or such other limited liability company as may be substituted for Diversified Investments-BC, Inc. (collectively, "DI-BC"), Tampa Bay Communities, L.P., a Delaware limited partnership ("Tampa Bay"), Diversified Investments-TBC, Inc., a Delaware corporation, or such other limited liability company as may be substituted for Diversified Investments-TBC, Inc. (collectively, "DI-TBC"), Diverse Communities, LLC, a Delaware limited liability company

("Diverse"), and Diversified Investments - Flozona, LLC, a Delaware limited liability company ("DI-Flozona").

2. Section 5 A of the Purchase Agreement, as amended by and subject to the terms of the First Amendment, is hereby amended to read as follows:

5. A CLOSING DATES. The closing ("Closing") of the transaction contemplated by this Agreement (i.e., the payment of the Purchase Price, the transfer and assignment of the Equity Interests, the transfer of title to the applicable Individual Properties (if applicable), and the satisfaction of all other terms and conditions of this Agreement) shall be commenced simultaneously with the closing of the transaction as contemplated by the Subscription Agreement (as referenced in Section 9 H hereof) on February 3, 2004 (the "Closing Date"). Notwithstanding the foregoing, in the event that Seller shall be unable to comply with Section 9 I by the Closing Date, (i) Purchaser, subject to obtaining Purchaser's lender's approval, shall purchase the Goose Creek Equity Interests for a Purchase Price equal to the allocated Purchase Price for the Goose Creek Property as set forth below multiplied by 90.32% and shall purchase the Topics Equity Interests for a Purchase Price equal to the allocated Purchase Price for the Topics Property as set forth below multiplied by 72.73% and the balance of the respective Purchase Prices for the Goose Creek Property and the Topics Property shall be put in escrow with Escrowee and an allocable portion of the escrow proceeds shall be released each time a third party tenant-in-common interest shall be acquired and the applicable Entity Seller shall pay any costs of transfer taxes associated with such acquisition of the tenant-in-common interest, (ii) in such event, at Purchaser's option, Purchaser shall have the right to take a non-exclusive assignment of any agreements which create the "drag-along" rights for the mandatory sale of such third party tenant-in-common interest, (iii) if Purchaser is unable to obtain the consent of Purchaser's lender for either purchase described in clause 5A(i) above, then the Closing for the Goose Creek Property or the Topics Property (whichever property for which Purchaser lender consent was denied) shall be delayed until the condition precedent contained in Section 9 I is satisfied with respect to such property, but in no event shall the Closing for either the Goose Creek Property or the Topics Property be delayed beyond February 8, 2004; provided, however, the Entity Seller for such property that has not closed on or before February 8, 2004 and Purchaser shall use reasonable efforts to negotiate an extension of such Closing on mutually agreeable terms, (iv) the Purchase Price allocated to the Goose Creek Property shall be \$16,248,312 and the Purchase Price allocated to the Topics Property shall be \$3,527,298 and (v) if Purchaser is unable to obtain the consent of Purchaser's Lender and the Closing is delayed as set forth in clause 5A(iii) above, an allocable portion of the Earnest Money based on the Purchase Price allocations shall be held back by Escrowee as Earnest Money for the Goose Creek Property Closing and the Topics Property Closing, respectively. Notwithstanding anything contained herein to the contrary, and subject to the provisions of Section 5C(v) below, (i) the Closing Date for the Cactus Gardens Property shall occur upon a date which is mutually agreed upon by the parties hereto but which is after the expiration or waiver of the defeasance lockout period for the mortgage loan encumbering such property, but in no event earlier than January 31, 2004 or later than May 15, 2004, (ii) in such event the Purchase Price allocated to the Cactus Gardens Property shall be \$7,725,141, and (iii) an allocable portion of the Earnest Money based on Purchase Price

allocations shall be held back as Earnest Money for the Cactus Gardens Closing. If the date of Closing above provided for falls on a Saturday, Sunday or legal holiday, the Closing Date shall take place on the next business day.

3. A new Section 15 shall be added to the Purchase Agreement as follows:

A. Notwithstanding the terms of Section 9 D of this Agreement, Purchaser and the Entity Sellers that own the Equity Interests with respect to the Sixth Avenue Property and the Southernaire Property (the "Sixth Avenue Entity Seller" and the "Southernaire Entity Seller," respectively) agree to consummate the Closing with respect to such applicable Equity Interests based on the following additional terms: (i) the net proceeds from the sale of the respective Equity Interests shall not be disbursed to the Sixth Avenue Entity Seller or the Southernaire Entity Seller, respectively, but said net proceeds shall be held in escrow by Escrowee as security for the respective Entity Sellers fulfilling certain obligations relating to the absence of an approved prospectus filed with the Florida Department of Business and Professional Regulation, (ii) the escrow shall state that the net proceeds shall not be disbursed to the applicable Entity Seller until such time as the applicable Entity Sellers have prepared a PA Prospectus for each such Individual Property and the PA Prospectus for each such Individual Property has been filed with the Florida Department of Business and Professional Regulation and has been delivered to each of the tenants at the Sixth Avenue Property and the Southernaire Property and the failure of any tenant located at either the Sixth Avenue Property or the Southernaire Property electing any remedy as a result of such violation on or before fifteen (15) days after delivery of such PA Prospectus to all of the tenants of the Sixth Avenue Property and the Southernaire Property (the "Tenant Deadline"), and (iii) to the extent any Sixth Avenue Property tenant or any Southernaire Property tenant elects any remedies arising therefrom on or before the expiration of the Tenant Deadline then, if such claim continues to exist after a thirty (30) day cure period afforded to the applicable Entity Seller, the respective net proceeds shall be utilized by to reimburse Purchaser for any and all costs associated with such claims. Following the settlement and payment of any such claims, the balance of the net proceeds shall be disbursed to the Sixth Avenue Entity Seller and the Southernaire Entity Seller, respectively. To the extent there are no tenant claims at one of the Individual Properties after the expiration of the Tenant Deadline, the net proceeds applicable to such Individual Property shall be promptly disbursed to the applicable Entity Seller. In no event shall the net proceeds from one Individual Property be used to satisfy the claims arising out of this Section 15 with respect to the other Individual Property.

B. Prior to the Closing, all applicable Entity Sellers shall deliver to the Florida Department of Business and Professional Regulation any and all rent notices that said Entity Sellers have failed to file for previous rental increases which are consistent with the rent increases actually instituted at the Properties.

4. Section 9 H of the Purchase Agreement is deleted in its entirety and the following is inserted in lieu thereof:



Purchaser and certain Sellers shall have entered into that certain (i) Letter Agreement dated as of the date hereof regarding the formation of various joint venture entities and (ii) the Subscription Agreement and all conditions precedent under the Subscription Agreement have been satisfied and closing thereof shall have been consummated.

5. PURCHASE PRICE. The first four lines of Section 2 of the Purchase Agreement are deleted in their entirety and the following shall be inserted in lieu thereof:

The total consideration to be paid by Purchaser to the Sellers for the Properties is Sixty-Seven Million Three Hundred Fifty Thousand and 00/100 Dollars (\$67,350,000.00) less an amount equal to fifty percent (50%) of the Defeasance Costs (as hereinafter defined) subject to adjustment as set forth hereinafter (the "Purchase Price"), which shall be paid as follows:

6. EFFECT. Except as amended herein, all terms and provisions contained in the Purchase Agreement shall remain in full force and effect.

7. COUNTERPARTS. This Amendment may be executed in one or more counterparts, all of which taken together shall constitute one and the same agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the respective dates set forth below.

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

PURCHASER:

MHC OPERATING PARTNERSHIP,  
an Illinois limited partnership

By: MANUFACTURED HOME COMMUNITIES,  
INC., a Maryland corporation,  
its general partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: January \_\_, 2004

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SELLERS:

COACHWOOD COLONY MHP, LLC, a Florida limited liability company

By: DIVERSIFIED INVESTMENTS - COACHWOOD COLONY MHP, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

DIVERSIFIED INVESTMENTS - COACHWOOD COLONY MHP, LLC, a Florida limited liability company

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

SHANGRI-LA MOBILE HOME PARK, L.P., a Delaware limited partnership, authorized to transact business in the State of Florida as SHANGRI-LA MOBILE HOME PARK OF LARGO, LTD.

By: DIVERSIFIED INVESTMENTS - SHANGRI-LA, INC., a Delaware corporation, as its General Partner

By: \_\_\_\_\_  
Barry L. Haase  
Chairman

WITNESSES:

DIVERSIFIED INVESTMENTS - SHANGRI-LA,  
INC., a Delaware corporation

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Barry L. Haase  
Chairman

\_\_\_\_\_  
Name: \_\_\_\_\_

WITNESSES:

TAMPA BAY COMMUNITIES, L.P., a  
Florida limited partnership

\_\_\_\_\_  
Name: \_\_\_\_\_

By: Diversified Investments - TBC,  
Inc., a Florida corporation, as  
its General Partner

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Barry L. Haase  
CEO

WITNESSES:

SIXTH AVENUE, LLC, a Florida limited  
liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SIXTH  
AVENUE LLC, a Florida limited  
liability company, as its Sole  
and Managing Member

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - SIXTH  
AVENUE, LLC, a Florida limited  
liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Barry L. Haase  
Manager

\_\_\_\_\_  
Name: \_\_\_\_\_

WITNESSES:

SOUTHERNAIRE MHP, LLC, a Florida  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS -  
SOUTHERNAIRE, LLC, a Florida  
limited liability company, as its  
Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS -  
SOUTHERNAIRE, LLC, a Florida limited  
liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

TERRA CEIA, LLC, a Florida limited  
liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - TERRA  
CEIA, LLC, a Florida limited  
liability company, as its Sole  
and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - TERRA CEIA,  
LLC, a Florida limited liability  
company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS-TOPICS RVP, LLC, a Florida limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS -TOPICS RVP, LLC, a Florida limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

GOOSE CK, LLC, a North Carolina limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company, as its Sole Member

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

DIVERSIFIED INVESTMENTS - GC, LLC, a North Carolina limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: EAST WEST COMMUNITIES, LLC, a Delaware limited liability company, as its Sole Member

By: DIVERSIFIED INVESTMENTS - EW, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

WATERWAY RV, LLC, a Delaware limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware limited liability company, as its Sole and Managing Member

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

SIERRA LAKES, L.L.C., a Delaware limited liability company

Name: \_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS PARTNERS, LLC, a Delaware limited liability company, as its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member

WITNESSES:

CACTUS GARDENS RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - CACTUS  
GARDENS, LLC, an Arizona limited  
liability company, as its Managing  
Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - CACTUS  
GARDENS, LLC, an Arizona limited  
liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DESERT PARADISE RV, LLC, an Arizona  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: SIERRA LAKES, L.L.C., a Delaware  
limited liability company, as its  
Sole and Managing Member

By: DIVERSIFIED INVESTMENTS  
PARTNERS, LLC, a Delaware  
limited liability company, as  
its Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Managing Member



WITNESSES:

SUNI SANDS, LLC, an Arizona limited liability company

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company, as its Sole and Managing Member

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS - SUNI SANDS, LLC, an Arizona limited liability company

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_  
Barry L. Haase  
Manager

WITNESSES:

DIVERSIFIED INVESTMENTS SERVICES, LLC, a Delaware limited liability company

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Barry L. Haase  
Title: Manager