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

**SCHEDULE TO
SCHEDULE 13E-3**

Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

(AMENDMENT NO. 1)

Equity LifeStyle Properties, Inc.

(Name of Subject Company (Issuer))

Equity LifeStyle Properties, Inc.
(Issuer and Filing Person)

(Name of Filing Person (Identifying Status as Offeror, Issuer or Other Person))

8.034% Series A Cumulative Redeemable Perpetual
Preferred Stock, \$.01 Par Value Per Share
(Title of Class of Securities)

29472R207

(CUSIP Number of Class of Securities)

Thomas Heneghan
Chief Executive Officer
Equity LifeStyle Properties, Inc.
Two North Riverside Plaza Suite 800
Chicago, Illinois 60606
(312) 279-1400

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications on Behalf of Filing Persons)

Copy to:

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New York, New York 10019
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Calculation of Filing Fee

| Transaction Valuation ⁽¹⁾ | Amount of Filing Fee ⁽²⁾ |
|--------------------------------------|-------------------------------------|
| \$203,280,000 | \$23,295.89 |

- (1) The transaction valuation is estimated solely for purposes of calculating the filing fee. As of August 7, 2012, Equity LifeStyle Properties, Inc. (the "Company") had outstanding 8,000,000 shares of 8.034% Series A Cumulative Redeemable Perpetual Preferred Stock, \$0.01 par value per share (the "Series A Shares"). The calculation is based on the assumption that all outstanding Series A Shares will be acquired by the Company in the Offer (as defined herein), and is based on the average of the high and low sales prices of the Series A Shares on August 7, 2012 being \$25.41, as reported on the New York Stock Exchange. Based on this average, the total transaction value is equal to \$203,280,000.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Fee Rate Advisory #3 for Fiscal Year 2012 issued by the Securities and Exchange Commission (the "SEC"), equals \$114.60 per \$1,000,000 of the aggregate value of the transaction. The value of the transaction set forth above was calculated for the sole purpose of determining the filing fee and should not be used for any other purpose.

- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and date of its filing.

Amount Previously Paid: N/A Filing Party: N/A

Form or Registration No.: N/A Date Filed: N/A

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer).
- Rule 14d-1(d) (Cross-Border Third-Party Tender Offer).

SCHEDULE TO

This Amendment No. 1 (this "Amendment") to the Tender Offer Statement on Schedule TO/13E-3 (the "Schedule TO") filed by Equity LifeStyle Properties, Inc., a Maryland corporation (the "Company"), in connection with its offer to acquire all 8,000,000 outstanding shares of the Company's 8.034% Series A Cumulative Redeemable Perpetual Preferred Stock, \$.01 Par Value Per Share (the "Series A Shares"), pursuant to the terms and subject to the conditions described in the offer to exchange, dated August 9, 2012 (the "Offer to Exchange"), filed as Exhibit (a)(1)(A) to the Schedule TO, and the related letter of transmittal (the "Letter of Transmittal"), filed as Exhibit (a)(1)(B) to the Schedule TO.

The Schedule TO is intended to satisfy the reporting requirements of Section 13(e) of the Securities Exchange Act of 1934, as amended. All capitalized terms used in this Amendment without definition have the meanings ascribed to them in the Schedule TO or the Offer to Exchange.

The items of the Schedule TO set forth below are hereby amended and supplemented as follows:

Item 12. Exhibits.

| Exhibit No. | Description |
|--------------------|--|
| (a)(1)(A) | Offer to Exchange, dated August 9, 2012. * |
| (a)(1)(B) | Letter of Transmittal. * |
| (a)(1)(C) | Form of Letter to Brokers, Dealers and Other Nominees. * |
| (a)(1)(D) | Form of Letter to Clients for use by Brokers, Dealers and Other Nominees. * |
| (a)(1)(E) | Guidelines for Certification of Taxpayer Identification Number (TIN) on Substitute Form W-9. * |
| (a)(1)(F) | Form of Notice of Guaranteed Delivery. * |
| (a)(1)(G) | Form of Letter to Beneficial Holders of the 8.034% Series A Cumulative Redeemable Perpetual Preferred Stock. * |
| (a)(2) | Not applicable. |
| (a)(3) | Not applicable. |
| (a)(4) | Not applicable. |
| (a)(5) | Press release of Equity LifeStyle Properties, Inc., dated July 24, 2012. * |
| (a)(5)(i) | Form of Equity LifeStyle Properties, Inc. Articles Supplementary relating to 80,000 shares of 6.75% Series C Cumulative Redeemable Perpetual Preferred Stock. |
| (a)(5)(ii) | Form of Deposit Agreement by and among Equity LifeStyle Properties, Inc., American Stock Transfer & Trust Company, LLC and the holders from time to time of the Depository Shares. |
| (a)(6) | Press release of Equity LifeStyle Properties, Inc., dated August 9, 2012. * |
| (b) | Not applicable.* |
| (c)(1) | Opinion of Houlihan Capital, LLC, dated August 7, 2012. |
| (c)(2) | Presentation of Houlihan Capital, LLC to the Board of Directors of the Company, dated August 7, 2012. * |
| (d)(1) | Form of Tender Agreement entered into by and between Equity LifeStyle Properties, Inc. and certain holders of 8.034% Series A Cumulative Redeemable Perpetual Preferred Stock. * |
| (g) | Not applicable. |
| (h) | Not applicable. |

* Previously filed with the Schedule TO on August 9, 2012.

Item 13. Information Required by Schedule 13E-3.

1. The following language is hereby inserted immediately following the heading "Item 13. *Item (2). Subject Company Information.*" which appears on page 4 of the Schedule TO:
 - (a), (b), (c) The information set forth in the Offer to Exchange under the heading "Certain Facts About the Company" is incorporated herein by reference.
2. The following language is hereby inserted immediately following the heading "*Item (3). Identity and Background of Filing Person.*" which appears on page 4 of the Schedule TO:
 - (a) The information set forth in the Offer to Exchange under the heading "Certain Facts About the Company" is incorporated herein by reference.
3. The following language is hereby inserted immediately following the heading "*Item (4). Terms of the Transaction.*" which appears on page 4 of the Schedule TO:
 - (a) **Material Terms.** The information set forth in the Offer to Exchange under the headings "Summary Term Sheet," "Questions and Answers About the Offer," "The Offer," "Certain Federal Income Tax Considerations," "Comparison of Rights Between the Series A Shares and the Series C Shares," "Description of Our Series C Shares," "Certain Provisions of Maryland Law and of our Charter and Bylaws" and "The Operating Partnership Agreement" is incorporated by reference herein.
 - (b) **Purchases.** The information set forth in the Offer to Exchange under the heading "Security Ownership of Certain Beneficial Owners" is incorporated by reference herein. Directors, officers and other affiliates of the Company may participate in the Offer upon the terms applicable to all holders of the Series A Shares. All of the directors and executive officers of the Company believed by the Company to own Series A Shares have advised the Company that they will tender their Series A Shares in the Offer.

OFFER TO EXCHANGE

The items of the Offer to Exchange set forth below are hereby amended and supplemented as follows:

1. All references to "Certain Factors" in the Schedule TO, the Offer to Exchange, the Letter of Transmittal (Exhibit (a)(1)(B)), the Form of Letter to Brokers, Dealers and other Nominees (Exhibit (a)(1)(C)) and the Form of Letter to Clients for use by Brokers, Dealers and Other Nominees (Exhibit (a)(1)(D)) are hereby deleted and replaced in their entirety with "Risk Factors."
2. The first sentence of the second paragraph of the preamble to the Offer to Exchange, which appears on the cover page of the Offer to Exchange, is hereby deleted and replaced with the following:

For each Series A Share that we acquire pursuant to the Offer, we will exchange consideration (the "Offer Consideration") comprised of (i) one newly issued depositary share (each a "Depositary Share") representing 1/100th of a share of our newly created 6.75% Series C Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share (a "Series C Share") with a liquidation value equal to \$25.00 per Depositary Share, plus (ii) cash in an amount equal to the amount of all unpaid dividends accrued on such tendered Series A Shares through and including the Expiration Date, which will be \$0.3849625 per Series A Share, assuming the Offer expires on September 7, 2012.

3. The first sentence of the first paragraph under the heading "SUMMARY TERM SHEET – The Consideration We Are Offering In Exchange For the Series A Shares," which appears on page 1 of the Offer to Exchange, is hereby deleted and replaced with the following:

We are offering to exchange, for each Series A Share that is validly tendered in the Offer, consideration (the "Offer Consideration") comprised of (i) one depositary share (each a "Depositary Share") representing 1/100th of a share of a newly-created series of our preferred stock, the 6.75% Series C Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share (each a "Series C Share") with a liquidation value equal to \$25.00 per Depositary Share, plus (ii) cash in an amount equal to the amount of unpaid dividends accrued on such tendered Series A Shares through and including the Expiration Date, which will be \$0.3849625 per Series A Share, assuming the Offer expires on September 7, 2012.

4. The following language is hereby added after the first paragraph under the heading "QUESTIONS AND ANSWERS ABOUT THE OFFER – If a holder of Series A Shares is subject to restrictions (for example, under its governing documents or investment guidelines) limiting the number of Depositary Shares it will be permitted to own to a specified percentage of all Depositary Shares outstanding, how can the holder ensure its compliance with this requirement as of the completion of the Offer?" which appears on page 5 of the Offer to Exchange:

In the event that you choose this election, at the time that you tender your Series A Shares, you will not know the exact amount of cash and number of Series C Shares that you will receive in the Offer. If you desire to tender all or a specific number of your Series A Shares in the Offer without regard to ownership restrictions, you should not choose this election.

5. The following language is hereby added immediately above the section captioned "QUESTIONS AND ANSWERS ABOUT THE OFFER – Does the Company intend to remain a public company following the completion of the Offer?" which appears on page 6 of the Offer to Exchange:

Do the Directors and Officers of the Company Plan to Tender Their Shares in the Offer?

All of the directors and executive officers of the Company who own Series A Shares have advised the Company that they will tender their Series A Shares in the Offer. See "Security Ownership of Certain Beneficial Owners."

6. The following language is hereby added after the second paragraph of the "SPECIAL FACTORS – Background of the Offer" section, which appears on page 8 of the Offer to Exchange:

Officers of the Company spoke to six institutional holders of Series A Shares regarding the possibility of an exchange offer for those shares. We spoke to each holder separately. All of those conversations were by telephone. No counsel or financial advisers participated in these conversations. The officers of the Company who participated in these conversations were Marguerite Nader, President and Chief Financial Officer, Paul Seavey, Senior Vice President and Treasurer and Martina Linders, Vice President of Investor Relations and Financial Planning. The only topics discussed in these meetings were (i) the Company's reasons for potentially pursuing an exchange offer (the reasons provided by the Company's representatives were the same reasons described in this Offer to Exchange); (ii) the Company's and the holders' respective views on the appropriate dividend rate for the shares to be offered in the exchange offer; (iii) likely timing of the offer; (iv) in the case of some investors, potential limitations on their ability to participate in the offer because of limitations on those investors' ability to hold shares of the new series in excess of a specified percentage of that series; and (v) the Company's plans in the event it did not pursue the offer or in the event the offer was made but was unsuccessful. The Company's purpose in seeking these discussions with holders of Series A Shares was to gauge the likely response of the holders to an exchange offer, including the likely response to different levels of dividend yields. No information was provided by the Company to the holders that is not contained in this Offer to Exchange. All of the holders contacted by the Company said they appreciated why the Company was considering an exchange offer and that it was appropriate for the Company to consider this and other means by which it might reduce its cost of capital. Not surprisingly, a number of the holders tried to encourage the Company to offer a high dividend yield on the new shares. Of the holders contacted by the Company, a majority (by Series A Shares owned) either agreed to tender their Series A Shares in the Offer or advised us that they intended to do so.

During these conversations, we asked the holders of Series A Shares to enter into agreements with the Company to tender their Series A Shares in the Offer. One of these holders executed an agreement committing to tender its Series A Shares. That holder was the Neuberger Berman Group, which reported to us that it owned 150,000 Series A Shares. The agreement entered into by the Neuberger Berman Group is filed as Exhibit (d)(1) to this Schedule TO/13E-3.

7. The first and second paragraphs under the heading "QUESTIONS AND ANSWERS ABOUT THE OFFER – What is the purpose of the Offer?" which appear on page 4 of the Offer to Exchange and the first and second paragraphs under the heading "SPECIAL FACTORS – Reasons and Purpose of the Offer," which appear on page 8 of the Offer to Exchange, are hereby deleted and replaced with the following:

The principal purpose of the Offer is to reduce the Company's current cost of capital in an efficient manner. In recent months, the Company noted that some REITs conducting preferred stock offerings were issuing preferred stock bearing a lower dividend rate than the dividend rate on the Company's Series A Shares. The Company also noted that this trend to lower rates was consistent across a broader range of fixed income securities, including U.S. Treasury obligations. Based on these observations, the Company decided that current market conditions presented a favorable time for the Company to seek to replace the Series A Shares with lower yielding securities that would be less expensive to the Company.

Our Board decided that the terms of the Offer would be most readily understood by the holders of Series A Shares if the terms of the securities to be offered in exchange for the Series A Shares, other than the dividend rate and the five year "no call" feature, were generally the same as the Series A Shares. Accordingly, the terms of the Series C Shares (and, therefore, the Depositary Shares) were designed to be the same in most respects as the Series A Shares. The Board concluded, based on a survey of the terms of recent public offerings of preferred securities by certain other REITs, that the dividend yield on the Series C Shares and, therefore, the Depositary Shares, is approximately the same as the holders of the Series A Shares would be able to obtain if their Series A Shares were redeemed for cash and the holders then were to re-invest the redemption proceeds in a comparable security, and also approximately the same as the terms the Company likely would be required to offer if it sought to fund a redemption of the Series A Shares with the issuance of a new series of preferred stock. By pursuing the Offer rather than a simultaneous redemption and underwritten new preferred share offering, the Company is seeking to save the fees and other expenses that would be payable on an underwritten offering of new securities.

8. The following language is hereby added immediately after the first paragraph under the heading "SPECIAL FACTORS – Alternatives Considered by the Board," which appears on page 8 of the Offer to Exchange:

The Board also considered offering Series C Shares rather than Depositary Shares but decided to offer Depositary Shares representing the Series C Shares as opposed to Series C Shares in order to increase the number of additional shares of preferred stock that the Company will be able to issue in the future without seeking shareholder approval of an amendment to its Articles of Amendment and Restatement. If all Series A

Shares were tendered in the Offer and the Company were to exchange one Series C Share for each Series A Share instead of one Depositary Share, the Company would have approximately 2,000,000 shares of preferred stock available for issuance remaining after completion of the exchange. Because the Company will instead exchange one Depositary Share for each tendered Series A Share, even if all Series A Shares are tendered, at the completion of the exchange, the Company will have 9,920,000 shares of preferred stock remaining available for issuance.

9. The following language is hereby added immediately before the section captioned “SPECIAL FACTORS – Fairness of the Offer,” which appears on page 9 of the Offer to Exchange:

Effects of the Offer on the Company, its Affiliates and Unaffiliated Security Holders

If the Offer is completed, the Company will benefit by a reduction in its cost of capital through the issuance of a class of preferred shares carrying a lower dividend yield than the Series A Shares acquired in exchange for the new shares. The primary detriment to unaffiliated holders of the Series A Shares who accept the offer will be the receipt of a security carrying a lower dividend yield. The primary benefit to the unaffiliated holders who accept the offer will be ownership of a security that has five year no-call protection as opposed to the Series A Shares which may be redeemed by the Company at any time. Affiliated holders of Series A Shares will be treated in the same manner as unaffiliated holders of Series A Shares. See “Security Ownership of Certain Beneficial Owners.”

10. The second bullet point of the first paragraph under the heading “SPECIAL FACTORS – Fairness of the Offer,” which appears on page 9 of the Offer to Exchange, is hereby deleted and replaced with the following:
- The fact that the Board believes, based on its review of data provided by Houlihan and our management, that the economic and other terms of the Depositary Shares are approximately the same as the holders of the Series A Shares would be able to obtain if their Series A Shares were redeemed for cash and the holders then were to re-invest the redemption proceeds in a comparable security.
11. The second through eighth paragraphs under the heading “SPECIAL FACTORS – Fairness of the Offer,” which appear on pages 10 and 11 of the Offer to Exchange, are hereby deleted and replaced with the following:

In performing its fairness analysis, the Board initially consulted a set of 17 recent preferred stock offerings identified by Houlihan in its presentation, as follows:

| Issuer | Offering Date | Amount of Securities (in millions) | Dividend Rate |
|---|---------------|---------------------------------------|---------------|
| Kilroy Realty Corporation | 8/6/2012 | \$ 75.0 | 6.44% |
| Taubman Centers, Inc. | 8/3/2012 | \$ 175.0 | 6.50% |
| Investors Real Estate Fund | 7/31/2012 | \$ 100.0 | 7.95% |
| AG Mortgage Investment Trust, Inc. | 7/27/2012 | \$ 45.0 | 8.25% |
| Apollo Commercial Real Estate Finance, Inc. | 7/25/2012 | \$ 75.0 | 8.63% |
| Dynex Capital, Inc. | 7/25/2012 | \$ 50.0 | 8.50% |
| Invesco Mortgage Capital Inc. | 7/19/2012 | \$ 135.0 | 7.75% |
| Senior Housing Properties Trust | 7/17/2012 | \$ 350.0 | 5.63% |
| Kimco Realty Corporation | 7/16/2012 | \$ 225.0 | 5.50% |
| Texeno Realty Corp. | 7/12/2012 | \$ 40.0 | 7.75% |

| Issuer | Offering Date | Amount of Securities (in millions) | Dividend Rate |
|-----------------------------------|---------------|---------------------------------------|---------------|
| Vornado Realty Trust | 7/11/2012 | \$ 300.0 | 5.70% |
| Chesapeake Lodging Trust | 7/10/2012 | \$ 110.0 | 7.75% |
| Corporate Office Properties Trust | 6/20/2012 | \$ 150.0 | 7.38% |
| Resource Capital Corp. | 6/7/2012 | \$ 6.6 | 8.50% |
| Armour Residential Mortgage | 5/31/2012 | \$ 35.0 | 8.25% |
| Cedar Realty Trust | 5/15/2012 | \$ 10.0 | 7.25% |
| Annaly Capital Management Inc. | 5/9/2012 | \$ 275.0 | 7.63% |

From this set of 17 offerings, the Board selected four as being most relevant to evaluating the appropriate terms (and in particular the appropriate dividend yield) for the Series C Shares (and, therefore, the Depositary Shares). Those four were the offerings by Kilroy Realty Corporation, Taubman Centers, Inc., Chesapeake Lodging Trust and Corporate Office Properties Trust.

In selecting these four offerings, based on input received from our management and from Houlihan, the Board took into account among other things the market capitalization, financial condition and business segments of the respective issuers and their status as REITs. The Board also took into account that six of the set of 17 offerings were issuances by mortgage REITs, rather than equity REITs and therefore were less directly comparable to preferred shares of the Company. Mortgage REITs have a higher risk profile than equity REITs and therefore have a higher cost of capital; as a result the Board did not rely on these examples. Further, two of the example offerings did not involve REITs and therefore the Board did not find these offerings to be comparable. Among the four offerings, the Board considered the two most recent offerings to be the most relevant, particularly noting that market interest rates and dividend yields have declined somewhat over the course of the past two months.

The Board determined that it was not appropriate to base its determination as to the fairness of the substantive terms of the Offer on the net book value, going concern value or liquidation value of the Company. The Board concluded that taking into account such factors in assessing the fairness of the Offer was inappropriate because of the nature of the Series A Shares, including the fact that the Series A Shares have a defined liquidation and redemption value, which makes those factors of only limited relevance to the value of the Series A Shares. The Company has not previously conducted repurchases of Series A Shares, and therefore the Board did not take into account the terms of prior repurchases in its analysis. In addition, the Board is not aware of any firm offers made within the last two years regarding an acquisition of the Company, an acquisition of a substantial part of its assets or the acquisition of a controlling portion of its securities, and accordingly, the Board's evaluation of the fairness of the Offer did not take into account any such offer. In reaching its determination, the Board considered the current and historical market prices of the Series A Shares. However, the Board determined that the current and historical market prices of the Series A Shares were not of primary relevance in its fairness analysis, due to the fact that the redemption value of the Series A Shares was deemed to be of primary significance and that the current market value of the Series A Shares was approximately the same as the redemption value of the Series A Shares.

In approving the Offer, the Board weighed the costs and risks, including the transaction costs associated with the Offer, the risks of not completing the Offer, and the potential adverse impact of the Offer on the value of untendered Series A Shares. The Board determined that the benefits of the Offer outweighed these costs and risks.

The Board's non-management directors who were present at the Board's August 7, 2012 meeting, and who comprise a majority of the Board, have approved the Offer. While the Board took the fairness opinion rendered by Houlihan into account in reaching its determination as to the fairness of the Offer, the Board

independently determined that that the Offer is substantively and procedurally fair based on the Board's own analysis, in light of the factors described above. In addition, the Offer requires valid tenders of at least 50% of the outstanding Series A Shares. As a result of this condition the Offer cannot be completed unless at least half of the outstanding Series A Shares are validly tendered.

In view of the wide variety of factors considered in connection with its evaluation of the Offer, the Board has found it impractical to, and therefore has not, quantified or otherwise attempted to assign relative weights to the specific factors it considered in deciding to approve the Offer or in evaluating the fairness of the Offer.

In approving the Offer, none of our directors makes any recommendation to you as to whether you should tender any of your Series A Shares in the Offer. You must make your own investment decision regarding the Offer based upon your own assessment of the market value of the Series A Shares, the potential value of the Depositary Shares, the possibility that any non-tendered Series A Shares may be called for redemption by the Company whether or not the Offer is completed, your liquidity needs (including the likely liquidity of any remaining Series A Shares after completion of the Offer and of the market for newly issued Depositary Shares), your investment objectives and any other factors you deem relevant.

For a discussion of the risks associated with not tendering in the Offer and of the risks associated with a continuing investment in the Company, see "Risk Factors."

12. The following language is hereby added immediately after the last paragraph under the heading "SPECIAL FACTORS – Fairness of the Offer," which appears on page 11 of the Offer to Exchange:

Houlihan and the Board did not consider the book value, going concern value and liquidation value of the Company as a whole because these valuations were not considered to be relevant to an analysis of the fairness of the Offer. The Series A Shares (i) have a liquidation preference of \$25.00 per share, (ii) can be redeemed for a redemption price of \$25.00 per share plus accrued unpaid dividends and (iii) have no right to participate in the proceeds of any sale or liquidation of the Company in excess of the applicable liquidation preference or redemption price. The terms of the Depositary Shares will be substantially identical in these three respects to the corresponding terms of the Series A Shares. Based on these facts, Houlihan advised the Board, and the Board independently concluded, that analyzing the fairness of the Offer based on the respective net book values per share, going concern values per share and liquidation values per share of the Series A Shares and the Depositary Shares (other than observing that, as described above, the liquidation preference and redemption price per Series A Share are essentially identical to the liquidation preference and redemption price per Depositary Share), was not meaningful.

Houlihan's Fairness Analysis

The Company retained Houlihan to act as its financial advisor in connection with the Offer. Houlihan is an investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. The Company selected Houlihan to act as its financial advisor in connection with the Offer on the basis of Houlihan's experience in transactions similar to the Offer, its reputation in the investment community and its familiarity with Company and its business.

The following represents a brief summary of the material financial analyses presented by Houlihan to our Board in connection with its the Fairness Opinion delivered by Houlihan.

In connection with rendering its Fairness Opinion, Houlihan:

- Reviewed a draft document outlining the key terms of the Series C Shares;
- Reviewed a draft tender offer statement on Schedule TO, dated August 1, 2012;
- Reviewed a document comparing the key terms of the Series A Shares with the key terms of other preferred stock issued by REITs;
- Reviewed an Company presentation regarding a line of credit extension, dated July 2, 2012;
- Reviewed a third amendment to an amended and restated credit agreement by and among MHC Operating Limited Partnership, ELS, certain lenders and Wells Fargo Bank National Association, dated July 20, 2012;

- Obtained, reviewed and/or analyzed certain information relating to the historical, current and future operations of the Company on a pro forma basis including, but not limited to the following:
 - The Company's latest reports on Form 10-Q and 10-K and other relevant public documents as filed with the Securities and Exchange Commission; and
 - Company presentations and other supplemental financial information filed on the Company's website.
- Reviewed approved and draft board meeting, audit committee meeting, executive committee meeting, and compensation, nominating and corporate governance committee meeting minutes of the Company as well as the annual meeting of stockholders draft meeting minutes from July 31, 2011 through July 31, 2012;
- Reviewed certain insurance policies of the Company covering director and officer insurance policies and other property, liabilities and operations insurance policies;
- Reviewed the industry in which the Company operates, which included a review of (i) certain industry research, (ii) certain comparable publicly traded companies and (iii) comparable issuances of preferred stock; and
- Reviewed certain other relevant, publicly available information, including economic, industry, and Company specific information.

Overview

The financial analysis conducted by Houlihan consisted of the following elements: (i) a public company analysis, (ii) an analysis of the existing terms of the Series A Shares, (iii) an analysis using the comparable transactions method and (iv) a cost of capital analysis.

Public Company Analysis

In performing its public company analysis, Houlihan calculated the market capitalizations and enterprise values implied by the trading prices of the common stock of the Company and the eight other companies selected by Houlihan. Houlihan then calculated the ratios to those enterprise values to the respective companies' revenues and earnings before interest expense, taxes, depreciation and amortization ("EBITDA"), and the ratios to those market capitalizations to the respective companies' earnings and funds-from-operations ("FFO"). The eight companies selected by Houlihan for purposes of this comparison were:

- American Campus Communities, Inc.
- Associated Estates Realty Corporation
- BRE Properties Inc.

- Education Realty Trust, Inc.
- Essex Property Trust Inc.
- Home Properties Inc.
- Post Properties Inc.
- Sun Communities Inc.

Houlihan reviewed for both the Company and the peer group, among other things:

- historical growth rates of revenue, EBITDA and net income;
- 52-week common stock trading data;
- market capitalization, enterprise value and earnings per share
- total revenues, EBITDA and funds from operation;
- debt to total capital, net debt to EBITDA and EBITDA to interest ratios.

Houlihan noted that in the part of the REIT industry in which the Company operates, the FFO ratio is the most widely-used valuation metric. Houlihan noted that the Company's long-term and 2012 FFO multiples, of 16.36 and 15.66 respectively, are moderately below the comparable ratios of the eight companies selected by Houlihan for purposes of this analysis.

Existing Terms of the Series A Shares

Houlihan reviewed the terms of the Series A Shares. Houlihan noted in particular that the Company has the right to redeem the Series A Shares at any time at the Company's option. Houlihan further noted that the Company has immediate access to funds in an amount sufficient to pay the aggregate redemption price on the Series A Shares, should it choose to redeem them, including \$135 million in cash and cash equivalents and an unused \$380 million line of credit. Houlihan advised that in its opinion, the presence of the redemption right caused the Series A Shares to trade at lower prices (slightly above the redemption price) than they would if not immediately redeemable.

Comparable Transactions Method

Houlihan noted that there are no recent precedents for exchange offers similar to the Offer. For its comparable transactions analysis, therefore, Houlihan analyzed underwritten public offerings of preferred stock by REITs and other companies similar to the Company.

The following underwritten preferred stock offerings were identified by Houlihan for purposes of this analysis:

| Issuer | Offering Date | Amount of Securities (in millions) | Dividend Rate |
|---|---------------|---------------------------------------|---------------|
| Kilroy Realty Corporation | 8/6/2012 | \$ 75.0 | 6.44% |
| Taubman Centers, Inc. | 8/3/2012 | \$ 175.0 | 6.50% |
| Investors Real Estate Fund | 7/31/2012 | \$ 100.0 | 7.95% |
| AG Mortgage Investment Trust, Inc. | 7/27/2012 | \$ 45.0 | 8.25% |
| Apollo Commercial Real Estate Finance, Inc. | 7/25/2012 | \$ 75.0 | 8.63% |
| Dynex Capital, Inc. | 7/25/2012 | \$ 50.0 | 8.50% |
| Invesco Mortgage Capital Inc. | 7/19/2012 | \$ 135.0 | 7.75% |
| Senior Housing Properties Trust | 7/17/2012 | \$ 350.0 | 5.63% |
| Kimco Realty Corporation | 7/16/2012 | \$ 225.0 | 5.50% |
| Texeno Realty Corp. | 7/12/2012 | \$ 40.0 | 7.75% |
| Vornado Realty Trust | 7/11/2012 | \$ 300.0 | 5.70% |
| Chesapeake Lodging Trust | 7/10/2012 | \$ 110.0 | 7.75% |
| Corporate Office Properties Trust | 6/20/2012 | \$ 150.0 | 7.38% |
| Resource Capital Corp. | 6/7/2012 | \$ 6.6 | 8.50% |
| Armour Residential Mortgage | 5/31/2012 | \$ 35.0 | 8.25% |
| Cedar Realty Trust | 5/15/2012 | \$ 10.0 | 7.25% |
| Annaly Capital Management Inc. | 5/9/2012 | \$ 275.0 | 7.63% |

In reviewing the terms of the offerings, Houlihan observed that the dividend rate on the preferred stock sold in these offerings was influenced by both the size and the ratio of indebtedness to total capitalization ("leverage") of the issuing company. Houlihan observed that the Company has a larger market capitalization relative to the average of the companies included in the analysis and that its leverage is lower than the average in the group. As a result, Houlihan concluded that based on comparable preferred stock issuances, a reasonable estimate of the dividend rate that the Company would be required to offer in an underwritten offering of its preferred stock would be in the range of 6.15% to 6.95%.

Houlihan noted that no company used in this analysis is identical or directly comparable to the Company. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which the Company was compared.

Cost of Capital Analysis

Houlihan observed that preferred stock is subordinate to a company's debt but senior to a company's common equity and that, therefore, the cost of capital of a company's preferred stock generally is between the cost of the company's debt and the cost of its common equity. Based on this observation, it is appropriate to estimate the likely range of the Company's cost of preferred stock by analyzing the cost of its debt and cost of its equity.

In its cost of capital analysis, Houlihan compared the costs of the Company's debt and common equity as of the date of original issuance of the Series A Shares with the dividend yield on the Series A Shares. Houlihan then calculated the costs of the Company's debt and equity as of the date of its opinion and compared this to the respective cost of capital as of the date of initial issuance of the Series A Shares.

In its calculation of the cost of equity, Houlihan used the build-up method and the capital asset pricing model. Houlihan observed that from March 1, 2011 (the date of original issuance of the Series A Shares) to August 1, 2012, the Company's cost of equity decreased. Using the build-up method, the cost of common equity at the start of the period was estimated to be 16.58% and the cost of common equity at the end of the period was estimated to be 13.11%. Using the capital asset pricing model, the cost of equity at the start of the period was estimated to be 10.89% and the cost of equity at the end of the period was estimated to be 8.57%.

Houlihan estimated the cost of debt by analyzing (i) the yield on a number of REIT fixed income indices published by Merrill Lynch, (ii) the Company's cost of borrowing under a \$200 million term loan that matures on June 30, 2017 and that has an interest rate of LIBOR plus 1.85% to 2.85%, (iii) the Company's cost of borrowing under its line of credit, which provides for an interest rate of LIBOR plus 1.65% to 2.50% and (iv) the Company's cost of borrowing under various mortgages, which had weighted average interest rates of between 6.10% and 5.50% as of March 31, 2011 and June 30, 2012, respectively.

Houlihan noted that the decline in the cost of borrowing reflected in the Merrill Lynch REIT index since the date of the Series A Shares were first issued and compared the decline with the decline in the Company's cost of borrowing over the same period, as follows.

| | 3/1/2011 | 8/1/2012 |
|---|----------|----------|
| Company's Cost of Secured Property Debt | 6.10% | 5.50% |
| Merrill Lynch Overall REIT Index | 4.11% | 3.13% |

Houlihan completed its cost of capital analysis by comparing the dividend rate on the Series A Shares with the Company's cost of common equity and cost of borrowing on the date of the initial issuance of the Series A Shares, and observing the correlation of those three cost of capital factors (and specifically, the extent to which the Series A Share dividend rate was greater than the Company's cost of borrowing and less than its cost of common equity). Houlihan then applied that same general correlation among those three cost of capital factors to the Company's cost of common equity and cost of borrowing as of the date of its presentation to our Board, which it calculated as described above. Based on this analysis Houlihan concluded that, because the Company's cost of common equity and cost of borrowing have declined since the initial issuance of the Series A Shares, if the Company were to conduct an underwritten public offering of newly created preferred securities that were similar to the Series A Shares but with a dividend yield established based on current market conditions, under the market conditions in effect at the date of its presentation to our Board, the dividend yield on the new preferred securities would be materially lower than the dividend yield on the Series A Shares. Houlihan estimated that, as of the date of its presentation to our Board, if the dividend yield on such a newly offered preferred security were assumed to have approximately the same correlation to the Company's current costs of common equity and borrowing as the Series A Shares' dividend rate had to those costs as of the date of its initial issuance, the dividend yield on the new preferred security would be within the following ranges:

| | |
|---|----------------|
| Using Comparable Transactions Method | 6.15% -- 6.95% |
| Using Comparable Cost of Capital Analysis | 6.00% -- 6.75% |

13. The following language is hereby added immediately before the section captioned "RISK FACTORS – We did not base the terms of the Depositary Shares on a valuation and did not retain the advice of an outside financial advisor, except for the Fairness Opinion from Houlihan," which appears on page 13 of the Offer to Exchange:

The market for the Series A Shares after the Offer may be smaller and less liquid.

If the Offer is completed and less than all of the outstanding Series A Shares are tendered, the market for Series A Shares will be smaller and less liquid than the market for Series A Shares has been to date. It is also possible that, after completion of the Offer, the Series A Shares may cease to be eligible for listing on the NYSE because, for example, the number of holders of the remaining Series A Shares may be lower than the number of holders required by the NYSE for continued listing. If the Series A Shares are no longer listed on the NYSE, it may be harder for holders wishing to sell to do so, and sales prices may be lower.

14. The first sentence of the first paragraph under the heading "STATEMENT REGARDING FORWARD-LOOKING INFORMATION," which appears on page 16 of the Offer to Exchange, is hereby deleted and replaced with the following:

This Offer to Exchange includes certain "forward-looking statements."

15. The second sentence of the last paragraph under the heading "STATEMENT REGARDING FORWARD-LOOKING INFORMATION," which appears on page 17 of the Offer to Exchange, is hereby deleted.
16. The first sentence of the first paragraph under the heading "THE OFFER – Terms of the Offer," which appears on page 20 of the Offer to Exchange, is hereby deleted and replaced with the following:

We are offering to acquire all of the outstanding 8,000,000 Series A Shares. If the Offer is successfully completed, for each tendered Series A Share accepted by us, we will pay the Offer Consideration of (i) one Depositary Share plus (ii) an amount in cash equal to the amount of unpaid dividends accrued on such tendered Series A Shares through and including the Expiration Date, which will be \$0.3849625 per Series A Share, assuming the Offer expires on September 7, 2012. If the Offer is extended, the Offer will remain open for at least 10 business days following such extension, and when it announces the extension, the Company will announce the amount of cash payable in the Offer.

17. The first paragraph under the heading "THE OFFER – Source and Amount of Funds," which appears on page 26 of the Offer to Exchange, is hereby deleted and replaced with the following:

The Offer is not conditioned upon our receipt of financing. The cash component of the Offer Consideration will be funded by the Company from cash on hand. Assuming that the Offer expires on September 7, 2012, and further assuming that all Series A Shares are tendered in the Offer, the aggregate amount of cash required to be paid for the tendering Series A shares will be approximately \$3 million.

18. The following language is hereby added immediately after the last paragraph under the heading "THE OFFER – Expenses," which appears on page 27 of the Offer to Exchange:

If the Company elected to issue securities substantially similar to the Depositary Shares in an underwritten public offering while simultaneously redeeming the currently outstanding Series A Shares, the Company anticipates that it would incur costs of approximately \$8.2 million. By contrast, in connection with the Offer, the Company expects to incur fees and expenses of approximately \$0.8 million. (We also will pay brokerage houses and other brokers, dealers, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this Offer, the letter of transmittal and related documents to the beneficial owners of shares and in handling or forwarding tenders of shares by their customers.) As a result, pursuing the Offer could save the Company approximately \$7.4 million compared with costs likely to be incurred through a redemption of the Series A Shares followed by an underwritten public offering of securities substantially similar to the Depositary Shares. This estimate of cost savings does not take into account the costs of any transaction the Company might elect to pursue after completion of the Offer (such as for example a redemption of the untendered Series A Shares and any capital raising transaction that might be used to fund all or part of the aggregate redemption price).

19. The following language is hereby added after the first paragraph under the heading "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS," which appears on page 28 of the Offer to Exchange:

All of the directors and executive officers of the Company believed by the Company to own Series A Shares have advised the Company that they will tender their Series A Shares in the Offer. Directors, officers and other affiliates of the Company may participate in the Offer upon the terms applicable to all holders of the Series A Shares. Each participating director or officer will receive, on a per share basis, an amount of consideration equal to that received by all other tendering holders of Series A Shares, and no director or officer

of the Company will receive any additional payments in connection with the Offer. It is anticipated that the directors and executive officers as a group will receive 372,000 Depositary Shares, plus cash equal to unpaid, accrued dividends, pursuant to the terms of the Offer in the amount of approximately \$0.1 million.

20. The fourth sentence of the first paragraph under the heading "DESCRIPTION OF OUR DEPOSITARY SHARES," which appears on page 47 of the Offer to Exchange, is hereby deleted and replaced with the following:

The Company and the Depositary have made application to DTC for acceptance of all of the Receipts for its book-entry settlement system.

21. The first clause of the first sentence of the second paragraph under the heading "DESCRIPTION OF OUR DEPOSITARY SHARES – Amendment and Termination of Deposit Agreement," which appears on page 48 of the Offer to Exchange, is hereby deleted and replaced with the following:

The deposit agreement will be permitted to be terminated by us upon not less than 90 days prior written notice to the Depositary at any time on or after the one-year anniversary of the execution of the deposit agreement if:

22. The first paragraph under the heading "DESCRIPTION OF OUR DEPOSITARY SHARES – Charges of the Depositary," which appears on page 49 of the Offer to Exchange, is hereby deleted and replaced with the following:

The Company will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. The Company will pay charges of the Depositary in connection with the initial deposit of the Series C Shares and initial issuance of the Depositary Shares, and redemption of the Series C Shares and all withdrawals of Series C Shares by owners of the Depositary Shares. We anticipate that the Company will pay aggregate fees to the Depositary pursuant to the depositary arrangements of approximately \$20,000. Holders of the Depositary Receipts will pay transfer, income and other taxes and governmental charges and other charges as are provided in the deposit agreement to be for their accounts. In certain circumstances, the Depositary may refuse to transfer the Depositary Shares, may withhold dividends and distributions and sell the Depositary Shares evidenced by those Depositary Receipts if those charges are not paid.

23. The first sentence of the second paragraph under the heading "DESCRIPTION OF OUR DEPOSITARY SHARES – Miscellaneous," which appears on page 49 of the Offer to Exchange, is hereby deleted and replaced with the following:

Neither the Depositary nor the Company assumes any obligation or will be subject to any liability under the deposit agreement to holders of the Depositary Receipts other than for its gross negligence, wilful misconduct or bad faith.

24. The following language is hereby added after the section captioned "CERTAIN SECURITIES LAWS CONSIDERATIONS," which appears on page 62 of the Offer to Exchange:

CERTAIN FACTS ABOUT THE COMPANY

Name and Address. The name of the Company is Equity LifeStyle Properties, Inc., a Maryland corporation. The address of its principal executive office is Two North Riverside Plaza, Suite 800, Chicago Illinois 60606 and its telephone number is (312) 279-1400.

Securities. As of August 8, 2012, 8,000,000 Series A Shares were issued and outstanding.

Trading Market and Price. The information with respect to the Series A Shares set forth in the Offer to Exchange under the heading "Market Price of and Dividends on the Series A Shares" is incorporated by reference herein.

The filing person is the Company.

The following persons are the directors and/or executive officers of the Company:

| Name | Position |
|------------------|--|
| Philip Calian | Director |
| David Contis | Director |
| Thomas Dobrowski | Director |
| Thomas Heneghan | Director and Chief Executive Officer |
| Ellen Kelleher | Executive Vice President – Property Management |
| Roger Maynard | Executive Vice President – Asset Management |
| Marguerite Nader | President and Chief Financial Officer |
| Sheli Rosenberg | Director |
| Howard Walker | Director |
| Gary Waterman | Director |
| Samuel Zell | Chairman of the Board of Directors |

The business address and telephone number of each of the above directors and executive officers is c/o Equity LifeStyle Properties, Inc., Two North Riverside Plaza, Suite 800, Chicago Illinois 60606, telephone: (312) 279-1400.

LETTER OF TRANSMITTAL

The items of the Offer to Exchange set forth below are hereby amended and supplemented as follows:

1. The following language is hereby added after the first paragraph under the heading “INSTRUCTIONS – 3. Prorated Tender,” which appears on page 10 of the Letter of Transmittal:

In the event that you choose this election, at the time that you tender your Series A Shares, you will not know the exact amount of cash and number of Series C Shares that you will receive in the Offer. If you desire to tender all or a specific number of your Series A Shares in the Offer without regard to ownership restrictions, you should not choose this election.

EQUITY LIFESTYLE PROPERTIES, INC.
FORM OF ARTICLES SUPPLEMENTARY
80,000 SHARES
6.75% SERIES C CUMULATIVE REDEEMABLE PERPETUAL
PREFERRED STOCK

EQUITY LIFESTYLE PROPERTIES, INC. (the "**Company**"), a Maryland corporation formerly known as MANUFACTURED HOME COMMUNITIES, INC., hereby certifies to the State Department of Assessments and Taxation of Maryland (the "**Department**") that:

FIRST: Pursuant to the authority expressly vested in the Board of Directors of the Company by Article V of the Articles of Amendment and Restatement of the Company filed with the Department on May 15, 2007 (the "**Charter**") and Section 2-105 of the Maryland General Corporation Law (the "**MGCL**"), the Board of Directors of the Company (the "**Board of Directors**"), by resolutions duly adopted on August 7, 2012, has authorized the re-classification of all of the 8,000,000 shares of 8.034% Series A Cumulative Redeemable Perpetual Preferred Stock outstanding (the "**Series A Preferred Stock**") upon the exchange and/or redemption of such Series A Preferred Stock, as 80,000 shares of authorized but unissued Preferred Stock, par value \$.01 per share ("**Preferred Stock**"), as a separate series of Preferred Stock, authorized the issuance of a maximum of 80,000 shares of such series of Preferred Stock, set certain of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption and conversion and other terms and conditions of such series of Preferred Stock and determined the number of shares of such series of Preferred Stock (not in excess of the aforesaid maximum number) to be issued and the consideration and other terms and conditions upon which such shares of such series of Preferred Stock are to be issued.

SECOND: The Board of Directors has unanimously adopted resolutions designating the aforesaid series of Preferred Stock, when issued upon the exchange and/or redemption of the Series A Preferred Stock, as the "6.75% Series C Cumulative Redeemable Perpetual Preferred Stock," approving the preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications, terms and conditions of redemption and conversion and other terms and conditions of such 6.75% Series C Cumulative Redeemable Perpetual Preferred Stock and authorizing the issuance of up to 80,000 shares of the 6.75% Series C Cumulative Redeemable Perpetual Preferred Stock.

THIRD: The series of Preferred Stock of the Company created by the resolutions duly adopted by the Board of Directors and referred to in Articles FIRST and SECOND of these Articles Supplementary shall have the following designation, number of shares, preferences, conversion and other rights, voting powers, restrictions and limitation as to dividends and other distributions, qualifications, terms and conditions of redemption and conversion and other terms and conditions:

Section 1. **Designation and Number.** A series of Preferred Stock, designated the "6.75% Series C Cumulative Redeemable Perpetual Preferred Stock" (the "**Series C Preferred Stock**") is hereby established. The number of shares of Series C Preferred Stock shall be 80,000.

Section 2. **Rank.** The Series C Preferred Stock will, with respect to distributions and rights upon voluntary or involuntary liquidation, dissolution or winding up of the Company, rank senior to all classes or series of Common Stock (as defined in the Charter) and to all classes or series of equity securities of the Company now or hereafter authorized, issued or outstanding, other than any class or series of equity securities of the Company expressly designated as ranking on a parity with, or senior to, the Series C Preferred Stock as to distributions and rights upon voluntary or involuntary liquidation, dissolution or winding up of the Company. For purposes of these Articles Supplementary, the term "**Parity Preferred Stock**" shall be used to refer to any class or series of equity securities of the Company now or hereafter authorized, issued or outstanding expressly designated by the Company to rank on a parity with Series C Preferred Stock with respect to distributions and rights upon voluntary or involuntary liquidation, dissolution or winding up of the Company.

Section 3. **Distributions.** Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of preferred stock ranking senior to the Series C Preferred Stock as to payment of distributions, holders of Series C Preferred Stock will be entitled to receive, when, as and if declared by the Company, out of funds legally available for the payment of distributions, cumulative preferential cash distributions at the rate per annum of 6.75% of the \$2,500.00 liquidation preference per share of Series C Preferred Stock. All distributions shall be cumulative, shall accumulate from the original date of issuance and shall be payable (i) quarterly (such quarterly periods for purposes of payment and accrual will be the quarterly periods ending on the dates specified in this sentence) in arrears, on March 31, June 30, September 30 and December 31 of each year, commencing on December 31, 2012 and (ii) in the event of a redemption, on the redemption date (each such payment or redemption date, a "**Preferred Stock Distribution Payment Date**"). The amount of the distribution payable for any period will be computed based on the ratio of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the actual number of days elapsed in such a period to ninety (90) days. If any date on which distributions are to be made on the Series C Preferred Stock is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series C Preferred Stock will be made to the holders of record of the Series C Preferred Stock on the relevant record dates, which, unless otherwise provided by the Company with respect to any distribution, will be fifteen (15) Business Days prior to the relevant Preferred Stock Distribution Payment Date (each a "**Distribution Record Date**").

The term "**Business Day**" shall mean each day, other than a Saturday or a Sunday, which is not a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close.

(a) **Limitations on Distributions.** No distributions on the Series C Preferred Stock shall be declared or paid or set apart for payment by the Company at such time as the terms and provisions of any agreement of the Company, including any agreement relating to its indebtedness, prohibits such declaration, payment or setting apart for payment or provides that such declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such declaration, payment or setting apart for payment shall be restricted or prohibited by law.

(b) **Distributions Cumulative.** Notwithstanding the foregoing, distributions on the Series C Preferred Stock will accumulate whether or not declared, whether or not the terms and provisions set forth herein at any time prohibit the current payment of distributions, whether or not the Company has earnings, whether or not there are funds legally available for the payment of such distributions and whether or not such distributions are authorized or declared. Accumulated but unpaid distributions on the Series C Preferred Stock will accumulate from the original date of issuance or the last Preferred Stock Distribution Payment Date on which all accumulated distributions were paid. Accumulated and unpaid distributions will not bear interest.

(c) **Priority as to Distributions.** So long as any Series C Preferred Stock is outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Common Stock or any class or series of other stock of the Company ranking junior to the Series C Preferred Stock as to the payment of distributions or rights upon voluntary or involuntary, liquidation, dissolution or winding up (such Common Stock or other junior stock, collectively, "**Junior Stock**"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Junior Stock, unless, in each case, all distributions accumulated on all Series C Preferred Stock and all classes and series of outstanding Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such class or series of Parity Preferred Stock does not have cumulative distribution rights) have been paid in full (or a sum sufficient for such full payment is irrevocably deposited in trust for immediate payment). The foregoing sentence will not prohibit (i) distributions payable solely in Junior Stock, (ii) the conversion of Junior Stock or Parity Preferred Stock into stock of the Company ranking junior to the Series C Preferred Stock as to distributions and upon liquidation, dissolution or winding up, (iii) purchase by the Company of the Series C Preferred Stock, Parity Preferred Stock or Junior Stock pursuant to Article VII of the Charter, in each case, to the extent required to preserve the Company's status as a real estate investment trust ("**REIT**"), (iv) redeeming, purchasing or otherwise acquiring any Parity Preferred Stock, in each case, to the extent required to preserve the Company's status as a REIT, (v) any distributions by the Company necessary for it to maintain its status as a REIT under the Internal Revenue Code of 1986, as amended ("**Code**"), or (vi) the purchase, redemption or other acquisition of Junior Stock made for purposes of, and in compliance with, requirements of an employee incentive or benefit plan of the Company or any subsidiary of MHC Operating Limited Partnership ("**Partnership**") or the Company.

So long as distributions have not been paid in full (or a sum sufficient for such full payment is not irrevocably deposited in trust for immediate payment) upon the Series C Preferred Stock, all distributions authorized and declared on the Series C Preferred Stock and all classes or series of outstanding Parity Preferred Stock shall be authorized and declared so that

the amount of distributions authorized and declared per share of Series C Preferred Stock and such other classes or series of Parity Preferred Stock shall in all cases bear to each other the same ratio that accumulated distributions per share on the Series C Preferred Stock and such other classes or series of Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such class or series of Parity Preferred Stock does not have cumulative distribution rights) bear to each other. Except as set forth in the preceding sentence, unless distributions on the Series C Preferred Stock equal to the full amount of accrued and unpaid distributions have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for such payment, for all past distribution periods, no distributions shall be declared or paid or set apart for payment by the Company and no other distribution of cash or other property may be declared or made, directly or indirectly, by the Company with respect to any Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such class or series of Parity Preferred Stock does not have cumulative distribution rights).

(d) **No Further Rights.** Holders of Series C Preferred Stock shall not be entitled to any distributions, whether payable in cash, other property or otherwise, in excess of the full cumulative distributions described herein.

Section 4. Liquidation Preference. (a) **Payment of Liquidating Distributions.** Subject to the rights of holders of Parity Preferred Stock with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding up of the Company and subject to holders of preferred stock ranking senior to the Series C Preferred Stock with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of Series C Preferred Stock shall be entitled to receive out of the assets of the Company legally available for distribution or the proceeds thereof, after payment or provision for debts and other liabilities of the Company, but before any payment or distributions of the assets shall be made to holders of Common Stock or any other class or series of stock of the Company that ranks junior to the Series C Preferred Stock as to rights upon liquidation, dissolution or winding up of the Company, an amount equal to the sum of (i) a liquidation preference of \$2,500.00 per share of Series C Preferred Stock, and (ii) an amount equal to any accumulated and unpaid distributions thereon, whether or not declared, to the date of payment. In the event that, upon such voluntary or involuntary liquidation, dissolution or winding up, there are insufficient assets to permit full payment of liquidating distributions to the holders of Series C Preferred Stock and any Parity Preferred Stock as to rights upon liquidation, dissolution or winding up of the Company, all payments of liquidating distributions on the Series C Preferred Stock and such Parity Preferred Stock shall be made so that the payments on the Series C Preferred Stock and such Parity Preferred Stock shall in all cases bear to each other the same ratio that the respective rights of the Series C Preferred Stock and such Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such Parity Preferred Stock does not have cumulative distribution rights) upon liquidation, dissolution or winding up of the Company bear to each other.

(b) **Notice.** Written notice of any such voluntary or involuntary liquidation, dissolution or winding up of the Company, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given

by (i) fax and (ii) by first class mail, postage pre-paid, not less than thirty (30) and not more than sixty (60) days prior to the payment date stated therein, to each record holder of the Series C Preferred Stock at the respective addresses of such holders as the same shall appear on the share transfer records of the Company.

(c) **No Further Rights.** After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series C Preferred Stock will have no right or claim to any of the remaining assets of the Company.

(d) **Consolidation, Merger or Certain Other Transactions.** The voluntary sale, conveyance, lease, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Company to, or the consolidation or merger or other business combination of the Company with or into, any corporation, trust or other entity (or of any corporation, trust or other entity with or into the Company) shall not be deemed to constitute a liquidation, dissolution, or winding up of the Company.

Section 5. **Optional Redemption.**

(a) **Right of Optional Redemption.** Except as set forth in Section 6 below, the Series C Preferred Stock shall not be redeemable by the Company prior to September 7, 2017. On or after September 7, 2017, the Company, at its option, may redeem the Series C Preferred Stock, in whole or in part, at any time or from time to time at a redemption price (the "**Redemption Price**"), payable in cash, equal to \$2,500.00 per share of Series C Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to, but not including, the date of redemption (the "**Redemption Right**"). Each date fixed for redemption pursuant to this paragraph is called a "**Redemption Date**." In the event of a redemption of Series C Preferred Stock, if the Redemption Date occurs after a Distribution Record Date and on or prior to the related Preferred Stock Distribution Payment Date, the distribution payable on such Preferred Stock Distribution Payment Date in respect of such shares of stock called for redemption shall be payable on such Distribution Payment Date to the holders of record at the close of business on such Distribution Record Date and shall not be payable as part of the Redemption Price for such shares.

If the Company exercises its Redemption Right after the occurrence of a Change of Control Triggering Event (as defined below) and prior to the close of business on the Change of Control Conversion Date (as defined below), holders of Series C Preferred Stock will not have the conversion rights described in Section 7 hereof with respect to the shares of Series C Preferred Stock to be redeemed. If fewer than all of the outstanding shares of Series C Preferred Stock are to be redeemed, the shares of Series C Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares), subject to any applicable conventions of The Depository Trust Company ("**DTC**") for redemption of book-entry securities. Further, in order to ensure that the Company remains a qualified REIT for federal income tax purposes, the Series C Preferred Stock will also be subject to the provisions of Article VII of the Charter.

(b) **Limitation on Optional Redemption.** The Company may not redeem fewer than all of the outstanding shares of Series C Preferred Stock and Parity Preferred Stock unless all accumulated and unpaid distributions have been paid on all outstanding Series C Preferred Stock and Parity Preferred Stock for all quarterly distribution periods terminating on or prior to the Redemption Date; **provided, however, that** the foregoing shall not prevent (i) the purchase or acquisition of Series C Preferred Stock or Parity Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all Series C Preferred Stock and Parity Preferred Stock, as the case may be, which offer may be accepted by such holders in such holders' sole discretion or (ii) the purchase, redemption or other acquisition by the Company of Series C Preferred Stock to the extent required to preserve the Company's status as a REIT.

(c) **Procedures for Optional Redemption.** Notice of redemption will be (i) faxed, and (ii) mailed by the Company, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date, addressed to the respective holders of record of the Series C Preferred Stock to be redeemed at their respective addresses as they appear on the transfer records of the Company. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series C Preferred Stock except as to the holder to whom such notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which the Series C Preferred Stock may be listed or admitted to trading, each such notice shall state: (i) the Redemption Date, (ii) the Redemption Price, (iii) the number of shares of Series C Preferred Stock to be redeemed, (iv) the place or places where such shares of Series C Preferred Stock are to be surrendered for payment of the Redemption Price, (v) that distributions on the Series C Preferred Stock to be redeemed will cease to accumulate on such Redemption Date and (vi) that payment of the Redemption Price (including any accumulated and unpaid distributions) will be made upon presentation and surrender of such Series C Preferred Stock. If fewer than all of the shares of Series C Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of shares of Series C Preferred Stock held by such holder to be redeemed.

If the Company gives a notice of redemption in respect of Series C Preferred Stock (which notice will be irrevocable) then, by 12:00 noon, New York City time, on the Redemption Date, the Company will deposit irrevocably in trust for the benefit of the Series C Preferred Stock being redeemed funds sufficient to pay the applicable Redemption Price, including any accumulated and unpaid distributions, on such shares to the date fixed for redemption, without interest, and will give irrevocable instructions and authority to pay such Redemption Price and any accumulated and unpaid distributions, whether or not declared, if any, on such shares to the holders of the Series C Preferred Stock upon surrender of the Series C Preferred Stock by such holders at the place designated in the notice of redemption. If fewer than all of the Series C Preferred Stock evidenced by any certificate is being redeemed, a new certificate shall be issued upon surrender of the certificate evidencing all Series C Preferred Stock, evidencing the unredeemed Series C Preferred Stock without cost to the holder thereof. On and after the Redemption Date, distributions will cease to accumulate on the Series C Preferred Stock or portions thereof called for redemption, unless the Company defaults in the payment thereof. If any date fixed for redemption of Series C Preferred Stock is not a Business Day, then payment of the Redemption Price payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day falls in the next calendar year, such payment will be made on the

immediately preceding Business Day, in each case with the same force and effect as if made on such date fixed for redemption. If payment of the Redemption Price (including any accumulated and unpaid distributions) in respect of the Series C Preferred Stock is improperly withheld or otherwise not paid by the Company, distributions on such Series C Preferred Stock will continue to accumulate from the original Redemption Date to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the applicable Redemption Price (including any accumulated and unpaid distributions).

(d) **Status of Redeemed Stock.** Any Series C Preferred Stock that shall at any time have been redeemed shall, after such optional redemption, have the status of authorized but unissued Preferred Stock, without designation as to class or series until such shares are once more designated as part of a particular class or series by the Board of Directors.

Section 6. **Special Optional Redemption Right.** Upon the occurrence of a Change of Control Triggering Event (as defined below), the Company will have the option to redeem the Series C Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control Triggering Event occurred, for cash at \$2,500.00 per share plus accrued and unpaid distributions, if any, to, but not including, the Redemption Date (the "**Special Optional Redemption Right**"). No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceedings for the redemption of Series C Preferred Stock except as to the holder to whom notice was defective or not given. If the Company exercises its Special Optional Redemption Right after the occurrence of a Change of Control Triggering Event and prior to the close of business on the Change of Control Conversion Date, holders of Series C Preferred Stock will not have the conversion rights described in Section 7 hereof with respect to the shares of Series C Preferred Stock to be redeemed.

(a) **Procedures for Special Optional Redemption.** Notice of redemption will be (i) faxed, and (ii) mailed by the Company, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date, addressed to the respective holders of record of the Series C Preferred Stock to be redeemed at their respective addresses as they appear on the transfer records of the Company. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series C Preferred Stock except as to the holder to whom such notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which the Series C Preferred Stock may be listed or admitted to trading, such notice shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the number of shares of Series C Preferred Stock to be redeemed; (iv) the place or places where such shares of Series C Preferred Stock are to be surrendered for payment of the Redemption Price; (v) that the shares of Series C Preferred Stock are being redeemed pursuant to the Special Optional Redemption Right in connection with the occurrence of a Change of Control Triggering Event and a brief description of the transaction or transactions constituting such Change of Control Triggering Event; (vi) that holders of Series C Preferred Stock to which the notice relates will not be able to tender such Series C Preferred Stock for conversion in connection with the Change of Control Triggering Event and each share of Series C Preferred Stock tendered for conversion that is selected, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related Redemption Date instead of converted on the Change of Control Conversion Date; (vii) that distributions on the Series C Preferred Stock to be redeemed will cease to accumulate on such Redemption Date; and

(viii) that payment of the Redemption Price (including any accumulated and unpaid distributions) will be made upon presentation and surrender of such Series C Preferred Stock. If fewer than all of the shares of Series C Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of shares of Series C Preferred Stock held by such holder to be redeemed.

If fewer than all of the outstanding Series C Preferred Stock are to be redeemed pursuant to the Special Optional Redemption Right, the shares shall be redeemed pro rata in proportion to the numbers of shares of Series C Preferred Stock held by holders (with adjustment to avoid redemption of fractional shares) or by lot or in such other manner as the Board of Directors may determine. If fewer than all of the shares of Series C Preferred Stock represented by any certificate (which may include a global certificate) are redeemed, then a new certificate (including, if appropriate, a new global certificate) representing the unredeemed Series C Preferred Stock shall be issued without cost to the holders thereof. If such redemption is to be by lot and, as a result of such redemption, any holder of Series C Preferred Stock would become a holder of a number of shares of Series C Preferred Stock in excess of the Existing Holder Limit (as defined in the Charter) because such holder's shares of Series C Preferred Stock were not redeemed, or were only redeemed in part then, except as otherwise provided in the Charter of the Company, the Company will redeem the requisite number of shares of Series C Preferred Stock of such holder such that no holder will hold in excess of the Existing Holder Limit subsequent to such redemption.

Immediately prior to any redemption of shares of Series C Preferred Stock pursuant to the Special Optional Redemption Right, the Company shall pay, in cash, any accrued and unpaid distributions to, but not including, the Redemption Date, unless a Redemption Date falls after a Distribution Record Date and prior to the corresponding Preferred Stock Distribution Payment Date, in which case each holder of shares of Series C Preferred Stock at the close of business on such Distribution Record Date shall be entitled to the distribution payable on such shares on the corresponding Preferred Stock Distribution Payment Date (including any accrued and unpaid distributions for prior periods) notwithstanding the redemption of such shares before such Distribution Payment Date or the Company's default in the payment of the distribution due. Except as provided above, the Company will make no payment or allowance for unpaid distributions, whether or not in arrears, on Series C Preferred Stock for which a notice of redemption has been given.

If the Company shall so require and the notice shall so state, on or after the Redemption Date, each holder of shares of Series C Preferred Stock to be redeemed shall present and surrender the certificates evidencing such Series C Preferred Stock, to the extent such shares are certificated, to the Company at the place designated in the notice of redemption and thereupon the Redemption Price of such shares (including all accrued and unpaid distributions to, but not including, the Redemption Date) shall be paid to, or on the order of, the person whose name appears on such certificate evidencing such Series C Preferred Stock as the owner thereof, and each surrendered certificate shall be canceled. If fewer than all the shares evidenced by any such certificate evidencing Series C Preferred Stock are to be redeemed, a new certificate shall be issued evidencing the unredeemed shares. In the event that the Series C Preferred Stock to be redeemed are uncertificated, such shares shall be redeemed in accordance with the notice and the

applicable procedures of DTC and no further action on the part of the holders of such shares shall be required.

From and after the Redemption Date (unless the Company defaults in payment of the Redemption Price), all distributions on the Series C Preferred Stock designated for redemption in such notice shall cease to accumulate and all rights of the holders thereof, except the right to receive the Redemption Price thereof (including all accrued and unpaid distributions to, but not including, the Redemption Date), shall cease and terminate and such shares shall not thereafter be transferred (except with the consent of the Company) on the Company's stock transfer records, and such shares shall not be deemed to be outstanding for any purpose whatsoever. At its election, the Company, prior to a Redemption Date, may irrevocably deposit the Redemption Price (including accrued and unpaid distributions to, but not including, the Redemption Date) of the Series C Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company, in which case the redemption notice to holders of the Series C Preferred Stock to be redeemed shall (i) state the date of such deposit, (ii) specify the office of such bank or trust company as the place of payment of the Redemption Price and (iii) require such holders to surrender the certificates evidencing such shares, to the extent such shares are certificated, at such place on or about the date fixed in such redemption notice (which may not be later than the Redemption Date) against payment of the Redemption Price (including all accrued and unpaid distributions to, but not including, the Redemption Date). Any monies so deposited which remain unclaimed by the holders of the Series C Preferred Stock to be redeemed at the end of two years after the Redemption Date shall be returned by such bank or trust company to the Company.

(b) **Limitations on Special Optional Redemption.** The Company may not redeem fewer than all of the outstanding shares of Series C Preferred Stock and Parity Preferred Stock unless all accumulated and unpaid distributions have been paid on all outstanding Series C Preferred Stock and Parity Preferred Stock for all quarterly distribution periods terminating on or prior to the Redemption Date; **provided, however, that** the foregoing shall not prevent (i) the purchase or acquisition of Series C Preferred Stock or Parity Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all Series C Preferred Stock and Parity Preferred Stock, as the case may be, which offer may be accepted by such holders in such holders' sole discretion or (ii) the purchase, redemption or other acquisition by the Company of Series C Preferred Stock to the extent required to preserve the Company's status as a REIT. In addition, unless full cumulative distributions on all Series C Preferred Stock have been or contemporaneously are authorized and declared and paid or authorized and declared and a sum sufficient for the payment thereof set apart for payment for all past distribution periods and the then-current distribution period, the Company shall not purchase or otherwise acquire directly or indirectly for any consideration, nor shall any monies be paid to or be made available for a sinking fund for the redemption of, any shares of Series C Preferred Stock (except by conversion into or exchange for equity securities of the Company ranking junior to the Series C Preferred Stock as to distributions and upon liquidation); **provided, however, that** the foregoing shall not prevent any purchase, redemption or other acquisition of Series C Preferred Stock for the purpose of preserving the Company's qualification as a REIT or pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Series C Preferred Stock).

(c) **Status of Redeemed Stock.** Any Series C Preferred Stock that shall at any time have been redeemed shall, after such special optional redemption, have the status of authorized but unissued Preferred Stock, without designation as to class or series until such shares are once more designated as part of a particular class or series by the Board of Directors.

Section 7. **Conversion Rights Upon Change of Control Triggering Event.** Upon the occurrence of a Change of Control Triggering Event, each holder of shares of Series C Preferred Stock will have the right, subject to exercise of the Company's Redemption Right or Special Optional Redemption Right, to convert some or all of the shares of Series C Preferred Stock held by such holder (the "**Change of Control Conversion Right**") on the relevant Change of Control Conversion Date into consideration (the "**Change of Control Consideration**") based upon the product (the "**Calculated Amount**") that results from multiplying such holder's number of shares of Series C Preferred Stock being so converted by the lesser of:

(A) the quotient obtained by dividing (i) the sum of (x) \$2,500.00 plus (y) an amount equal to any accumulated and unpaid distributions on one share of Series C Preferred Stock, whether or not declared, to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series C Preferred Stock distribution and prior to the corresponding Series C Preferred Stock Distribution Payment Date, in which case the amount pursuant to this subclause (i)(y) shall equal \$0.00 in respect of such distribution), by (ii) the Common Stock Price (such quotient, the "**Conversion Rate**"), and

(B) 70,000 (the "**Share Cap**").

Each holder of Series C Preferred Stock who chooses to exercise the Change of Control Conversion Right (subject to exercise of the Company's optional redemption right) will receive Change of Control Consideration comprising a number of shares of Common Stock equal to the Calculated Amount, subject to receipt of Alternative Conversion Consideration (as defined below), to the extent applicable.

The Share Cap is subject to pro rata adjustments for any stock splits (including those effected pursuant to a common stock distribution), subdivisions or combinations (in each case, a "**Stock Split**") with respect to shares of Common Stock as follows: the adjusted Share Cap as the result of a Stock Split will be the number of shares of Common Stock that is equivalent to the product of (i) the Share Cap in effect immediately prior to such Stock Split multiplied by (ii) a fraction, the numerator of which is the number of shares of Common Stock outstanding after giving effect to such Stock Split and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such Stock Split. For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Common Stock (or equivalent cash amount and/or Alternative Conversion Consideration (as defined below), as applicable) issuable in connection with the exercise of the Change of Control Conversion Right will not exceed 56,000 shares of Common Stock (or equivalent cash amount and/or equivalent Alternative Conversion Consideration, as applicable) (the "**Exchange Cap**"). The Exchange Cap is subject to pro rata adjustments for any Stock Splits with respect to shares of Common Stock as follows: the adjusted Exchange Cap as the result of a Stock Split will be the number of shares of Common Stock that is equivalent to the product of (i) the Exchange Cap

in effect immediately prior to such Stock Split multiplied by (ii) a fraction, the numerator of which is the number of shares of Common Stock outstanding after giving effect to such Stock Split and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such Stock Split.

In the case of a Change of Control Triggering Event as a result of which holders of shares of Common Stock are entitled to receive consideration other than solely shares of Common Stock, including other securities, other property or assets (including cash or any combination thereof) with respect to or in exchange for shares of Common Stock (the “**Alternative Form Consideration**”), a holder of shares of Series C Preferred Stock will be entitled thereafter to convert (subject to exercise of the Company’s optional redemption right) such shares of Series C Preferred Stock not into shares of Common Stock (or calculated cash equivalent, as applicable) but solely into the kind and amount of Alternative Form Consideration which the holder of shares of Series C Preferred Stock would have owned or been entitled to receive upon the Change of Control Triggering Event if such holder of shares of Series C Preferred Stock held the Change of Control Consideration immediately prior to the effective time of the Change of Control Triggering Event (the “**Alternative Conversion Consideration**,” and the Change of Control Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control Triggering Event, is referred to as the “**Conversion Consideration**”).

(b) **Procedures for Conversion.** If the holders of shares of Common Stock have the opportunity to elect the form of consideration to be received in the Change of Control Triggering Event, the Company will make adequate provisions whereby the holders of shares of Series C Preferred Stock will have a reasonable opportunity to determine the form of consideration into which all of the shares of Series C Preferred Stock, treated as a single class, will be convertible from and after the effective date of the Change of Control Triggering Event. This determination will be based on the weighted average of elections made by the holders of shares of Series C Preferred Stock who participate in the determination, will be subject to any limitations to which all holders of shares of Common Stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the Change of Control Triggering Event, and will be conducted in such a manner as to be completed by the Change of Control Conversion Date.

The Company will not issue fractional shares of Common Stock upon the conversion of the Series C Preferred Stock. Instead, the Company will pay the cash value of such fractional shares. Within fifteen (15) days following the occurrence of a Change of Control Triggering Event, the Company will provide to holders of shares of Series C Preferred Stock a notice of occurrence of the Change of Control Triggering Event that describes the resulting Change of Control Conversion Right and the Company’s right to exercise its optional redemption right. This notice must state: (i) the events constituting the Change of Control Triggering Event; (ii) the date of the Change of Control Triggering Event; (iii) the last date on which the holders of shares of Series C Preferred Stock may exercise their Change of Control Conversion Right; (iv) that the Company may elect to exercise its optional redemption right; (v) the method and period for calculating the Common Stock Price; (vi) the Change of Control Conversion Date, which will be a business day; (vii) the type and amount of Conversion Consideration (and/or the type and amount of Alternative Conversion Consideration) entitled to be received per share of Series C Preferred Stock; (viii) the name and address of the paying agent and the conversion

agent and (ix) the procedures that the holders of shares of Series C Preferred Stock must follow to exercise their Change of Control Conversion Right.

The Company will issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on its website, in any event prior to the opening of business on the first Business Day following any date on which it provides the notice described above to the holders of shares of Series C Preferred Stock. To exercise their Change of Control Conversion Right, holders of shares of Series C Preferred Stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) evidencing shares of Series C Preferred Stock to be converted, duly endorsed for transfer, together with a written conversion notice completed, to our transfer agent. The conversion notice must state: (i) the relevant Change of Control Conversion Date; (ii) the number of shares of Series C Preferred Stock to be converted into Conversion Consideration; and (iii) that the shares of Series C Preferred Stock are to be converted into Conversion Consideration pursuant to the applicable provisions of the shares of Series C Preferred Stock.

Holders of shares of Series C Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal must state: (i) the number of withdrawn shares of Series C Preferred Stock; (ii) if certificated shares of Series C Preferred Stock have been issued, the certificate numbers of the withdrawn shares of Series C Preferred Stock; and (iii) the number of shares of Series C Preferred Stock, if any, which remain subject to the conversion notice.

Notwithstanding the foregoing, if the shares of Series C Preferred Stock are held in global form, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures of DTC. Shares of Series C Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless the Company has elected or elects to redeem such shares of Series C Preferred Stock by exercising its Redemption Right or Special Optional Redemption Right (by sending the required notice of redemption) prior to the close of business on the Change of Control Conversion Date. If the Company elects to redeem shares of Series C Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series C Preferred Stock will not be so converted and the holders of such shares will be entitled to receive \$2,500.00 per share, plus any accumulated and unpaid distributions thereon, whether or not declared, to, but not including, the Redemption Date.

In connection with the exercise of any Change of Control Conversion Right, the Company will comply with all U.S. federal and state securities laws and stock exchange rules in connection with any conversion of shares of Series C Preferred Stock into shares of Common

Stock. Notwithstanding any other provision of shares of Series C Preferred Stock, no holder of shares of Series C Preferred Stock will be entitled to convert such shares of Series C Preferred Stock for shares of Common Stock to the extent that receipt of such shares of Common Stock would cause such holder (or any other person) to exceed the share ownership limits contained in the Charter and these Articles Supplementary.

Subject to the other restrictions on ownership and transfer set forth in the Charter, the Board of Directors will exempt (prospectively or retroactively) a person from the Series C Preferred Stock ownership limit if the ownership of shares of Series C Preferred Stock in excess of such limit is solely the result of a conversion of some shares of Series C Preferred Stock to shares of Common Stock pursuant to the Change of Control Conversion Right and would not prevent the Company from preserving its status as a REIT.

(c) For purposes of this Section 7, the **"Change of Control Conversion Date"** will be a Business Day that is no less than twenty (20) days nor more than thirty-five (35) days after the date on which the Company provides to holders of shares of Series C Preferred Stock a notice of occurrence of the Change of Control Triggering Event.

(d) For purposes of this Section 7, a **"Change of Control Triggering Event"** will be deemed to have occurred at such time after the original issuance of the shares of Series C Preferred Stock when the following has occurred: (i) the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the **"Exchange Act"**), of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of the Company entitling that person to exercise more than 50% of the total voting power of all shares of the Company entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and (ii) following the closing of any transaction referred to in clause (i) above, neither the Company nor the acquiring or surviving entity has a class of common securities listed on the New York Stock Exchange (**"NYSE"**), NYSE Amex Equities (**"NYSE Amex"**) or NASDAQ, or listed on an exchange that is a successor to the NYSE, NYSE Amex or NASDAQ.

(e) For purposes of this Section 7, the **"Common Stock Price"** will be (i) if the consideration to be received in the Change of Control Triggering Event by holders of shares of the Company's Common Stock is solely cash, the amount of cash consideration per share of Common Stock being paid to holders of shares of the Company's Common Stock in connection with the Change of Control Triggering Event, and (ii) if the consideration to be received in the Change of Control Triggering Event by holders of shares of the Company's Common Stock is other than solely cash, the average of the closing price per share of Common Stock on the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control Triggering Event.

Section 8. **Voting Rights. General.** Holders of the Series C Preferred Stock will not have any voting rights, except as set forth below.

(a) **Right to Elect Directors.** If at any time full distributions shall not have been timely made on any Series C Preferred Stock with respect to any six (6) prior quarterly distribution periods, whether or not consecutive (a "**Preferred Distribution Default**"), the holders of such Series C Preferred Stock, voting together as a single class with the holders of each class or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, will have the right to elect two additional directors to serve on the Board of Directors (the "**Preferred Stock Directors**") at a special meeting called by the holders of record of at least 33% of the outstanding shares of Series C Preferred Stock or any such class or series of Parity Preferred Stock or at the next annual meeting of stockholders, and at each subsequent annual meeting of stockholders or special meeting held in place thereof, until all such accumulated distributions in arrears and distributions for the current quarterly period on the Series C Preferred Stock and each such class or series of Parity Preferred Stock have been paid in full.

(i) At any time when such voting rights shall have vested, a proper officer of the Company shall call or cause to be called, upon written request of holders of record of at least 33% of the outstanding shares of Series C Preferred Stock, a special meeting of the holders of Series C Preferred Stock and all classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable (collectively, the "**Parity Securities**") by mailing or causing to be mailed to such holders a notice of such special meeting to be held not less than ten (10) and not more than forty-five (45) days after the date such notice is given. The record date for determining holders of the Parity Securities entitled to notice of and to vote at such special meeting will be the close of business on the third Business Day preceding the day on which such notice is mailed. At any such special meeting, all of the holders of the Parity Securities, by plurality vote, voting together as a single class without regard to classes or series will be entitled to elect two directors on the basis of one vote per \$2,500.00 of liquidation preference to which such Parity Securities are entitled by their terms (excluding amounts in respect of accumulated and unpaid distributions) and not cumulatively. The holder or holders of one-third of the Parity Securities then outstanding, present in person or by proxy, will constitute a quorum for the election of the Preferred Stock Directors except as otherwise provided by law. Notice of all meetings at which holders of the Series C Preferred Stock shall be entitled to vote will be given to such holders at their addresses as they appear in the transfer records. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, the holders of a majority of the Parity Securities then outstanding present in person or by proxy shall have the power to adjourn the meeting for the election of the Preferred Stock Directors, without notice other than an announcement at the meeting, until a quorum is present. If a Preferred Distribution Default shall terminate after the notice of a special meeting has been given but before such special meeting has been held, the Company shall, as soon as practicable after such termination, mail or cause to be mailed notice of such termination to holders of the Series C Preferred Stock that would have been entitled to vote at such special meeting.

(ii) If and when all accumulated distributions in arrears and the distributions for the then current distribution period on the Series C Preferred Stock shall have been paid in full or a sum sufficient for such payment is irrevocably deposited in trust for payment, the holders of the Series C Preferred Stock shall be divested of the voting rights set forth in this Section 8(a) (subject to reversion in the event of each and every Preferred

Distribution Default) and, if all accumulated distributions in arrears and the distributions for the current distribution period have been paid in full or set aside for payment in full on all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, the term and office of each Preferred Stock Director so elected shall terminate. Any Preferred Stock Director may be removed at any time with or without cause by the vote of, and shall not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding Series C Preferred Stock when they have the voting rights set forth in this Section 8(a) (voting together as a single class with all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable). So long as a Preferred Distribution Default shall continue, any vacancy in the office of a Preferred Stock Director may be filled by written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding Series C Preferred Stock when they have the voting rights set forth in this Section 8(a) (voting together as a single class with all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(b) **Certain Voting Rights.** So long as any shares of Series C Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Charter of the Company, the affirmative vote or consent of at least two-thirds of the votes entitled to be cast by the holders of the outstanding shares of Series C Preferred Stock voting together as a single class with the holders of all outstanding shares of Parity Preferred Stock of any class or series upon which like voting rights have been conferred and with which holders of Series C Preferred Stock are entitled to vote together as a single class on such matters, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Any amendment, alteration or repeal of any of the provisions of, or the addition of any provision to, these Articles Supplementary, the Charter or the By-Laws of the Company that materially and adversely affects the powers, special rights, preferences, privileges or voting power of the holders of the Series C Preferred Stock; **provided, however, that** the amendment of or supplement to the provisions of the Charter to authorize, create, increase or decrease the authorized amount of, or to issue Junior Stock, Series C Preferred Stock or any class of Parity Preferred Stock shall not be deemed to materially and adversely affect the powers, special rights, preferences, privileges or voting power of the holders of Series C Preferred Stock;

(ii) The authorization, creation of, increase in the authorized amount of, or issuance of shares of any class or series of stock ranking senior in preference or priority to the Series C Preferred Stock with respect to the receipt of distributions and amounts distributable upon liquidation, dissolution or winding-up or any security convertible or exchangeable into shares of any class or series of shares ranking senior in preference or priority to the Series C Preferred Stock with respect to the receipt of distributions and amounts distributable upon liquidation, dissolution or winding-up (whether or not such class or series of shares ranking senior in preference or priority to the Series C Preferred Stock is currently authorized); or

(iii) The consolidation, merger into or with, or conveyance, transfer or lease of the Company's assets substantially as an entirety, to any corporation or other entity in such a way

that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the holders of the Series C Preferred Stock; **provided, however, that** with respect to the occurrence of a merger, consolidation or a sale, transfer or lease of all of the Company's assets as an entirety, so long as (a) the Company is the surviving entity and the Series C Preferred Stock remains outstanding with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a corporation organized under the laws of any state and substitutes for the Series C Preferred Stock other preferred stock having substantially the same terms and same rights as the Series C Preferred Stock, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding up, then the occurrence of any such event shall not be deemed to materially and adversely affect the powers, special rights, preferences, privileges or voting power of the holders of the Series C Preferred Stock;

provided, however, that no such vote of the holders of Series C Preferred Stock shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such shares ranking senior to the Series C Preferred Stock or convertible or exchangeable security is to be made, as the case may be, provision is made for the redemption of all outstanding Series C Preferred Stock to the extent such redemption is authorized by Section 5 herein.

For purposes of the foregoing provisions and all other voting rights under these Articles Supplementary, each share of Series C Preferred Stock shall have one (1) vote per share, except that when any other class or series of preferred shares of the Company shall have the right to vote with the Series C Preferred Stock as a single class on any matter, then the Series C Preferred Stock and such other class or series shall have with respect to such matters one quarter of one vote per \$2,500.00 of stated liquidation preference. Except as otherwise required by applicable law or as set forth herein or in the Charter, the Series C Preferred Stock shall not have any relative, participating, optional or other special voting rights and powers other than as set forth herein, and the consent of the holders thereof shall not be required for the taking of any action by the Company.

Section 9. Information Rights. During any distribution period (other than a distribution period during which any shares of Series C Preferred Stock are redeemed pursuant to Section 5 hereof which shall end on and include the Redemption Date with respect to the Series C Preferred Stock being redeemed) in which the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, and any shares of Series C Preferred Stock are outstanding, the Company will (i) transmit by mail or other permissible means under the Exchange Act to all holders of any Series C Preferred Stock, without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that the Company would have been required to file with the Securities and Exchange Commission ("**SEC**"), pursuant to Section 13 or 15(d) of the Exchange Act if the Company were subject to such rules (other than any exhibits that would have been required), and (ii) within 15 days following written request, supply copies of such reports to any prospective holder of the Series C Preferred Stock. The Company will mail (or otherwise provide) the reports to the holders of the Series C Preferred Stock within 15 days after the respective dates by which the Company would have been required to file such reports with the SEC if it were subject to Section 13 or 15(d) of the Exchange Act.

Section 10. **Ownership and Transfer Restrictions.** The Series C Preferred Stock shall be subject to the provisions of Article VII of the Charter.

Section 11. **No Sinking Fund.** No sinking fund shall be established for the retirement or redemption of the Series C Preferred Stock.

Section 12. **No Preemptive Rights.** No holders of the Series C Preferred Stock shall, as such holder, have any preemptive rights to purchase or subscribe for shares of stock of the Company or any other security of the Company which it may issue or sell.

Section 13. **Registration as Depositary Shares.** Shares of Series C Preferred Stock shall be registered in the form of Depositary Shares representing a one-one hundredth fractional interest in a share of Series C Preferred Stock ("Depositary Shares") on, and subject to, such terms and conditions as may be provided for in any agreement binding upon the Company (whether directly or through merger with any other corporation).

FOURTH: The Preferred Stock has been classified and designated by the Board of Directors under the authority contained in the Charter.

FIFTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

SIXTH: These Articles Supplementary shall become effective at _____ (Eastern Time) on _____, 2012.

SEVENTH: The undersigned _____ of the Company acknowledges these Articles Supplementary to be the corporate act of the Company and, as to all matters or facts required to be verified under oath, the undersigned _____ acknowledges that to the best of [her] [his] knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Company has caused these Articles Supplementary to be executed under seal in its name and on its behalf by _____ and attested to by _____ on this _____ day of _____, 2012.

EQUITY LIFESTYLE PROPERTIES, INC.

By: _____

Name:

Title:

[SEAL]

ATTEST:

The undersigned _____ of Equity LifeStyle Properties, Inc., who executed on behalf of the corporation the Articles Supplementary of which this certificate is made a part, hereby acknowledges in the name and on behalf of said corporation the foregoing Articles Supplementary to be the corporate act of said corporation and hereby certifies that the matter and facts set forth herein with respect to the authorization and approval thereof are true in all material respects under the penalties of perjury.

By: _____

Name:

Title:

EQUITY LIFESTYLE PROPERTIES, INC.,
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
AS DEPOSITARY,

AND

THE HOLDERS FROM TIME TO TIME OF THE DEPOSITARY RECEIPTS
DESCRIBED HEREIN RELATING TO THE 6.75% SERIES C CUMULATIVE
REDEEMABLE PERPETUAL PREFERRED STOCK

FORM OF DEPOSIT AGREEMENT

DATED AS OF SEPTEMBER ____, 2012

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DEPOSIT AGREEMENT, dated as of September ___, 2012, among **EQUITY LIFESTYLE PROPERTIES, INC.**, a Maryland corporation (the "**Company**"), **AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC**, a New York limited liability company (the "**Depository**"), and the holders from time to time of the Receipts described herein.

WHEREAS, it is desired to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of shares of 6.75% Series C Cumulative Redeemable Perpetual Preferred Stock of the Company with the Depository for the purposes set forth in this Deposit Agreement and for the issuance hereunder of Receipts evidencing Depository Shares in respect of the Stock so deposited; and

WHEREAS, the Receipts are to be substantially in the form of Exhibit A annexed hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement;

NOW, THEREFORE, in consideration of the promises contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

The following definitions shall, for all purposes, unless otherwise indicated, apply to the respective terms used in this Deposit Agreement:

"Articles Supplementary" shall mean the Articles Supplementary filed with the Secretary of State of the State of Maryland establishing the Stock as a series of preferred stock of the Company.

"Deposit Agreement" shall mean this Deposit Agreement, as amended or supplemented from time to time.

"Depository" shall mean American Stock Transfer & Trust Company, LLC and any successor as Depository hereunder.

"Depository Shares" shall mean Depository Shares, each representing 1/100 of a share of Stock and evidenced by a Receipt.

"Depository's Agent" shall mean one or more agents appointed by the Depository pursuant to Section 5.1 hereof and shall include the Registrar if such Registrar is not the Depository.

"Depository's Office" shall mean any office of the Depository at which at any particular time its depository receipt business shall be administered.

"Excess Stock" shall mean Excess Stock as defined in Section 3 of the Company's Amended and Restated Articles of Incorporation.

"Receipt" shall mean one of the Depositary Receipts, substantially in the form set forth as Exhibit A hereto, issued hereunder, whether in definitive or temporary form and evidencing the number of Depositary Shares held of record by the record holder of such Depositary Shares. If the context so requires, the term "Receipt" shall be deemed to include the DTC Receipt (as defined in Section 2.1 hereof).

"record holder" or **"holder"** as applied to a Receipt shall mean the person in whose name a Receipt is registered on the books of the Depositary maintained for such purpose.

"Registrar" shall mean the Depositary or such other bank or trust company which shall be appointed to register ownership and transfers of Receipts as herein provided.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Stock" shall mean shares of the Company's 6.75% Series C Cumulative Redeemable Perpetual Preferred Stock, \$.01 par value per share.

ARTICLE II

FORM OF RECEIPTS, DEPOSIT OF STOCK, EXECUTION AND DELIVERY, TRANSFER, SURRENDER AND REDEMPTION OF RECEIPTS

Section 2.1. **Form and Transfer of Receipts.** The Company and the Depositary have made application to The Depositary Trust Company ("**DTC**") for acceptance of all of the Receipts for its book-entry settlement system. The Company hereby appoints the Depositary acting through any authorized officer thereof as its attorney-in-fact, with full power to delegate, for purposes of executing any agreements, certifications or other instruments or documents necessary or desirable in order to effect the acceptance of such Receipts for DTC eligibility. So long as the Receipts are eligible for book-entry settlement with DTC, unless otherwise required by law, all Depositary Shares shall be represented by a single receipt (the "**DTC Receipt**"), which shall be deposited with DTC (or its designee) evidencing all such Depositary Shares and registered in the name of the nominee of DTC (initially expected to be Cede & Co.), American Stock Transfer & Trust Company, LLC, or such other entity as is agreed to by DTC may hold the DTC Receipt as custodian for DTC. Ownership of beneficial interests in the DTC Receipt shall be shown on, and the transfer of such ownership shall be effected through, records maintained by (i) DTC or its nominee for such DTC Receipt or (ii) institutions that have accounts with DTC.

If DTC subsequently ceases to make its book-entry settlement system available for the Receipts, the Company may instruct the Depositary regarding making other arrangements for book-entry settlement. In the event that the Receipts become ineligible for book-entry settlement, the Depositary shall provide written instructions to DTC to deliver to the Depositary for cancellation the DTC Receipt, and the Company shall instruct the Depositary to deliver to the beneficial owners of the Depositary Shares Receipts in physical, certificated form in substantially the form annexed hereto as Annex A, with appropriate insertions, modifications and omissions, as hereafter provided.

Notwithstanding anything to the contrary herein, the beneficial owners of Depositary Shares shall not be entitled to receive Receipts in physical, certificated form as herein provided unless the Receipts become ineligible for book-entry settlement.

If Receipts are issued in physical, certificated form, definitive Receipts shall be engraved or printed or lithographed on steel-engraved borders, with appropriate insertions, modifications and omissions, as hereinafter provided, if and to the extent required by any securities exchange on which the Receipts are listed. The DTC Receipt shall bear such legend or legends as may be required by DTC in order for it to accept the Depositary Shares for its book-entry settlement system. Pending the preparation of definitive Receipts or if definitive Receipts are not required by any securities exchange on which the Receipts are listed, the Depositary, upon the written order of the Company, delivered in compliance with Section 2.2 hereof, shall execute and deliver temporary Receipts which are printed, lithographed, typewritten, mimeographed or otherwise substantially of the tenor of the definitive Receipts in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the persons executing such Receipts may determine, as evidenced by their execution of such Receipts. If temporary Receipts are issued, the Company and the Depositary will cause definitive Receipts to be prepared without unreasonable delay. After the preparation of definitive Receipts, the temporary Receipts shall be exchangeable for definitive Receipts upon surrender of the temporary Receipts at the Depositary's Office or at such other place or places as the Depositary shall determine, without charge to the holder. Upon surrender for cancellation of any one or more temporary Receipts, the Depositary shall execute and deliver in exchange therefor definitive Receipts representing the same number of Depositary Shares as represented by the surrendered temporary Receipt or Receipts. Such exchange shall be made at the Company's expense and without any charge to the holder therefor. Until so exchanged, the temporary Receipts shall in all respects be entitled to the same benefits under this Deposit Agreement, and with respect to the Stock, as definitive Receipts.

Receipts shall be executed by the Depositary by the manual and/or facsimile signature of a duly authorized officer of the Depositary. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose unless it shall have been executed in accordance with the foregoing sentence. The Depositary shall record on its books each Receipt so signed and delivered as hereinafter provided.

Receipts shall be in denominations of any number of whole Depositary Shares. The Company shall deliver to the Depositary from time to time such quantities of Receipts as the Depositary may request to enable the Depositary to perform its obligations under this Deposit Agreement.

Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Deposit Agreement as may be required by the Company or required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange upon which the Stock, the Depositary Shares or the Receipts may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts are subject, all as directed by the Company.

Title to Depositary Shares evidenced by a Receipt which is properly endorsed or accompanied by a properly executed instrument of transfer shall be transferable by delivery with the same effect as in the case of a negotiable instrument; **provided, however**, that until transfer of a Receipt shall be registered on the books of the Depositary as provided in Section 2.3, the Depositary may, notwithstanding any notice to the contrary, treat the record holder thereof at such time as the absolute owner thereof for the purpose of determining the person entitled to distributions of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes.

Section 2.2. Deposit of Stock; Execution and Delivery of Receipts in Respect Thereof. Subject to the terms and conditions of this Deposit Agreement, the Company may from time to time deposit shares of Stock under this Deposit Agreement by delivery to the Depositary of a certificate or certificates for the Stock to be deposited, properly endorsed or accompanied, if required by the Depositary, by a duly executed instrument of transfer or endorsement, in form satisfactory to the Depositary, together with (i) all such certifications as may be required by the Depositary in accordance with the provisions of this Deposit Agreement, including the resolutions of the Board of Directors of the Company, as certified by the Secretary or any Assistant Secretary of the Company on the date thereof as being complete, accurate and in effect, relating to issuance and sale of the Preferred Stock, (ii) a letter of counsel to the Company authorizing reliance on such counsel's opinions delivered to the underwriters named therein relating to (A) the existence and good standing of the Company, (B) the due authorization of the Depositary Shares and the status of the Depositary Shares as validly issued, fully paid and nonassessable, and (C) the effectiveness of any registration statement under the Securities Act relating to the Depositary Shares, and (iii) a written letter of instruction of the Company or such holder, as the case may be, directing the Depositary to execute and deliver to, or upon the written order of, the person or persons stated in such order a Receipt or Receipts for the number of Depositary Shares representing such deposited Stock.

Deposited Stock shall be held by the Depositary at the Depositary's Office or at such other place or places as the Depositary shall determine.

Upon receipt by the Depositary of a certificate or certificates for Stock deposited in accordance with the provisions of this Section, together with the other documents required as above specified, and upon recordation of the Stock on the books of the Company in the name of the Depositary or its nominee, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver, to or upon the order of the person or persons named in the written order delivered to the Depositary referred to in the first paragraph of this Section 2.2, a Receipt or Receipts for the whole number of Depositary Shares representing, in the aggregate, the Stock so deposited and registered in such name or names as may be requested by such person or persons. The Depositary shall execute and deliver such Receipt or Receipts at the Depositary's Office or such other offices, if any, as the Depositary may designate. Delivery at other offices shall be at the risk and expense of the person requesting such delivery.

Section 2.3. Registration of Transfer of Receipts. Subject to the terms and conditions of applicable law and of this Deposit Agreement, the Depositary shall register on its books from time to time transfers of Receipts upon any surrender thereof by the holder in person or by a duly authorized attorney, agent or representative, properly endorsed or accompanied by a

properly executed instrument of transfer including a guarantee of the signature thereon by a participant in a signature guarantee medallion program approved by the Securities Transfer Association ("**Signature Guarantee**"). Thereupon, the Depositary shall execute a new Receipt or Receipts evidencing the same aggregate number of Depositary Shares as those evidenced by the Receipt or Receipts surrendered and deliver such new Receipt or Receipts to or upon the order of the person entitled thereto.

Section 2.4. **Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of Stock.** Upon surrender of a Receipt or Receipts at the Depositary's Office or at such other offices as it may designate for the purpose of effecting a split-up or combination of such Receipt or Receipts, and subject to the terms and conditions of this Deposit Agreement, the Depositary shall execute and deliver a new Receipt or Receipts in the authorized denomination or denominations requested, evidencing the aggregate number of Depositary Shares evidenced by the Receipt or Receipts surrendered; **provided, however, that** the Depositary shall not issue any Receipt evidencing a fractional Depositary Share.

Any holder of a Receipt or Receipts representing any number of whole shares of Stock may (unless the related Depositary Shares have previously been called for redemption) withdraw the Stock and all money and other property, if any, represented thereby by surrendering such Receipt or Receipts at the Depositary's Office or at such other offices as the Depositary may designate for such withdrawals and paying any unpaid amount due the Depositary. If such holder's Depositary Shares are being held by DTC or its nominee pursuant to Section 2.1 hereof, such holder shall request withdrawal from the book-entry system of Receipts representing any number of whole shares. Thereafter, without unreasonable delay, the Depositary shall deliver to such holder or to the person or persons designated by such holder as hereinafter provided the number of whole shares of Stock and all money and other property, if any, represented by the Receipt or Receipts so surrendered for withdrawal, but holders of such whole shares of Stock will not thereafter be entitled to deposit such Stock hereunder or to receive Depositary Shares therefor. If a Receipt delivered by the holder to the Depositary in connection with such withdrawal shall evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole shares of Stock to be so withdrawn, the Depositary shall at the same time, in addition to such number of whole shares of Stock and such money and other property, if any, to be so withdrawn, deliver to such holder, or upon his order, a new Receipt evidencing such excess number of Depositary Shares; provided, however, that the Depositary shall not issue any Receipt evidencing a fractional Depositary Share.

Delivery of the Stock and money and other property being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate, which, if required by the Depositary, shall be properly endorsed or accompanied by proper instruments of transfer.

If the Stock and the money and other property being withdrawn are to be delivered to a person or persons other than the record holder of the Receipt or Receipts being surrendered for withdrawal of Stock, such holder shall execute and deliver to the Depositary a written order so directing the Depositary and the Depositary may require that the Receipt or Receipts surrendered by such holder for withdrawal of such shares of Stock be properly endorsed in blank or accompanied by a properly executed instrument of transfer in blank.

Delivery of the Stock and the money and other property, if any, represented by Receipts surrendered for withdrawal shall be made by the Depositary at the Depositary's Office, except that, at the request, risk and expense of the holder surrendering such Receipt or Receipts and for the account of the holder thereof, such delivery may be made at such other place as may be designated by such holder.

Section 2.5. Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts . As a condition precedent to the execution and delivery, registration of transfer, split-up, combination, surrender or exchange of any Receipt, the Depositary, any of the Depositary's Agents or the Company may require payment to it of a sum sufficient for the payment (or, in the event that the Depositary or the Company shall have made such payment, the reimbursement to it) of any charges or expenses payable by the holder of a Receipt pursuant to Sections 3.2 and 5.7 hereof, may require the production of evidence satisfactory to it as to the identity and genuineness of any signature including a Signature Guarantee, and may also require compliance with such regulations, if any, as the Depositary or the Company may establish consistent with the provisions of this Deposit Agreement.

The deposit of Stock may be refused, the delivery of Receipts against Stock may be suspended, the registration of transfer of Receipts may be refused and the registration of transfer, surrender or exchange of outstanding Receipts may be suspended (i) during any period when the register of stockholders of the Company is closed, or (ii) if any such action is deemed necessary or advisable by the Depositary, any of the Depositary's Agents or the Company at any time or from time to time because of any requirement of law or of any government or governmental body or commission or under any provision of this Deposit Agreement.

Section 2.6. Lost Receipts, etc. In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary in its reasonable discretion may execute and deliver a Receipt of like form and tenor in exchange and substitution for such mutilated Receipt, or in lieu of and in substitution for such destroyed, lost or stolen Receipt, upon (i) the filing by the holder thereof with the Depositary of evidence reasonably satisfactory to the Depositary of such destruction or loss or theft of such Receipt, of the authenticity thereof and of his or her ownership thereof, (ii) the furnishing of the Depositary with reasonable indemnification and the provision of an open penalty surety bond satisfactory to the Depositary and holding it and the Company harmless, and (iii) the payment of any reasonable expense (including reasonable fees, charges and expenses of the Depositary) in connection with such execution and delivery.

Section 2.7. Cancellation and Destruction of Surrendered Receipts. All Receipts surrendered to the Depositary or any Depositary's Agent shall be cancelled by the Depositary. Except as prohibited by applicable law or regulation, the Company is authorized to destroy all Receipts so cancelled.

Section 2.8. Redemption of Stock. Whenever the Company shall be permitted and shall elect to redeem shares of Stock in accordance with the provisions of the Company's Articles of Incorporation or Articles Supplementary, it shall (unless otherwise agreed to in writing with the Depositary) give or cause to be given to the Depositary not less than 30 days notice of the date of such proposed redemption or exchange of Stock and of the number of such shares held by the Depositary to be so redeemed and the applicable redemption price, as set forth in the Articles

Supplementary, which notice shall be accompanied by a certificate from the Company stating that such redemption of Stock is in accordance with the provisions of the Company's Articles of Incorporation or Articles Supplementary. On the date of such redemption, provided that the Company shall then have paid or caused to be paid in full to the Depositary the redemption price of the Stock to be redeemed, plus an amount equal to any accrued and unpaid dividends thereon to the date fixed for redemption (except as otherwise provided in the Articles Supplementary), in accordance with the provisions of the Articles Supplementary, the Depositary shall redeem the number of Depositary Shares representing such Stock. The Depositary shall mail notice of the Company's redemption of Stock and the proposed simultaneous redemption of the number of Depositary Shares representing the Stock to be redeemed by first-class mail, postage pre-paid, not less than 30 and not more than 60 days prior to the date fixed for redemption of such Stock and Depositary Shares (the "**Redemption Date**") to the record holders of the Receipts evidencing the Depositary Shares to be so redeemed, at the address of such holders as they appear on the records of the Depositary; but neither failure to mail any such notice of redemption of Depositary Shares to one or more such holders nor any defect in any notice of redemption of Depositary Shares to one or more such holders shall affect the sufficiency of the proceedings for redemption as to the other holders. The Company will provide the Depositary with the information necessary for the Depositary to prepare such notice and each such notice shall state: (i) the Redemption Date; (ii) the number of Depositary Shares to be redeemed and, if fewer than all the Depositary Shares held by any such holder are to be redeemed, the number of such Depositary Shares held by such holder to be so redeemed; (iii) the redemption price per Depositary Share; (iv) the place or places where Receipts evidencing Depositary Shares are to be surrendered for payment of the redemption price; (v) that dividends in respect of the Stock represented by the Depositary Shares to be redeemed will cease to accrue on such Redemption Date (except as otherwise provided in the Articles Supplementary) and will bear no interest; and (vi) any other information required to be provided pursuant to the Articles Supplementary. In case fewer than all the outstanding Depositary Shares are to be redeemed, the Depositary Shares to be so redeemed shall be determined pro rata or by lot in a manner determined by the Board of Directors.

Notice having been mailed by the Depositary as aforesaid, from and after the Redemption Date (unless the Company shall have failed to provide the funds necessary to redeem the Stock evidenced by the Depositary Shares called for redemption) (i) dividends on the shares of Stock so called for redemption shall cease to accrue from and after such date (except as otherwise provided in the Articles Supplementary), (ii) the Depositary Shares being redeemed from such proceeds shall be deemed no longer to be outstanding, (iii) all rights of the holders of Receipts evidencing such Depositary Shares (except the right to receive the redemption price) shall, to the extent of such Depositary Shares, cease and terminate and (iv) upon surrender in accordance with such redemption; notice of the Receipts evidencing any such Depositary Shares called for redemption (properly endorsed or assigned for transfer, if the Depositary or applicable law shall so require), such Depositary Shares shall be redeemed by the Depositary at a redemption price per Depositary Share equal to the same fraction of the redemption price per share paid with respect to the shares of Stock as the fraction each Depositary Share represents of a share of Stock plus the same fraction of all money and other property, if any, represented by such Depositary Shares, including all amounts paid by the Company in respect of dividends which on the Redemption Date have accumulated on the shares of Stock to be so redeemed and have not theretofore been paid (except as otherwise provided in the Articles Supplementary). Any funds

deposited by the Company with the Depositary for any Depositary Shares that the holders thereof fail to redeem will, upon the written request of the Company, be returned to the Company after a period of two years from the date such funds are so deposited.

If fewer than all of the Depositary Shares evidenced by a Receipt are called for redemption, the Depositary will deliver to the holder of such Receipt upon its surrender to the Depositary, together with the redemption payment, a new Receipt evidencing the Depositary Shares evidenced by such prior Receipt and not called for redemption; **provided, however, that** the Depositary shall not issue any Receipt evidencing a fractional Depositary Share.

Section 2.9. Conversion Upon Change of Control. As soon as possible after the occurrence of a Change of Control Triggering Event (as defined in the Articles Supplementary), the Company shall provide notice thereof to the Depositary in form and substance sufficient for the Depositary to deliver the notice to holders of Depositary Shares required by this Section 2.8. Within fifteen (15) days following the occurrence of a Change of Control Triggering Event, the Depositary shall provide to holders of the Depositary Shares a notice of occurrence of the Change of Control Triggering Event that describes the resulting Change of Control Conversion Right (as defined in the Articles Supplementary) and the Company's right to exercise its optional redemption right. This notice must state: (i) the events constituting the Change of Control Triggering Event; (ii) the date of the Change of Control Triggering Event; (iii) the last date on which the holders of Depositary Shares may exercise their Change of Control Conversion Right; (iv) that the Company may elect to exercise its optional redemption right; (v) the method and period for calculating the Common Stock Price (as defined in the Articles Supplementary); (vi) the Change of Control Conversion Date (as defined in the Articles Supplementary), which will be a business day; (vii) the type and amount of Conversion Consideration (as defined in the Articles Supplementary) (and/or the type and amount of Alternative Conversion Consideration (as defined in the Articles Supplementary)) entitled to be received per Depositary Share and per share of Stock; (viii) the name and address of the paying agent and the conversion agent and (ix) the procedures that the holders of Depositary Shares must follow to exercise their Change of Control Conversion Right.

To exercise their Change of Control Conversion Right, holders of Depositary Shares will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the Receipts evidencing the Depositary Shares to be converted, duly endorsed for transfer, together with a written conversion notice completed, to the Depositary. The conversion notice must state: (i) the relevant Change of Control Conversion Date; (ii) the number of Depositary Shares to be converted into Conversion Consideration; and (iii) that the Depositary Shares are to be converted into Conversion Consideration pursuant to the applicable provisions of the Stock.

Holders of the Depositary Shares may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the Depositary prior to the close of business on the Business Day (as defined in the Articles Supplementary) prior to the Change of Control Conversion Date. The notice of withdrawal must state: (i) the number of withdrawn Depositary Shares; (ii) if certificated Depositary Shares have been issued, the certificate numbers of the withdrawn Depositary Shares; and (iii) the number of Depositary Shares, if any, which remain subject to the conversion notice.

The Depositary shall act upon the conversion notices and withdrawal notices properly tendered to it in accordance with the provisions of the Articles Supplementary, by delivering conversion notices and withdrawal notices with respect to the Stock that are in the aggregate representative of the notices received by it, in accordance with, and within the time provided by, the provisions governing the delivery of such notices under the Articles Supplementary. Notwithstanding the foregoing, if the Depositary Shares are held in global form, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures of DTC.

The Depositary, on behalf of the Company, shall deliver the applicable Conversion Consideration to the holders of Depositary Shares no later than the third Business Day following the Change of Control Conversion Date.

Section 2.10. Stock Constituting Excess Stock. As provided in the Articles of Incorporation or Articles Supplementary, upon the happening of certain events, shares of Stock shall be deemed to automatically constitute Excess Stock. In the event of such a conversion, the Receipt representing the deposited Stock so converted shall no longer represent, to the extent of the shares so converted, such deposited Stock. Promptly upon its knowledge of the conversion of such deposited Stock into Excess Shares, the Company shall notify the Depositary of such conversion, the number of shares of deposited Stock so converted, and the identity of the holder of the Receipt so affected, whereupon the Depositary shall promptly notify the holder of such Receipt as to the foregoing information and the requirement for the holder to surrender such Receipt to the Depositary for cancellation of the number of Depositary Shares evidenced thereby equal to the deposited Stock constituting Excess Shares represented thereby.

If fewer than all of the Depositary Shares evidenced by a Receipt are required to be surrendered for cancellation, the Depositary will deliver to the holder of such Receipt upon its surrender to the Depositary a new Receipt evidencing the Depositary Shares evidenced by such prior Receipt and not required to be surrendered for cancellation. Upon the conversion of the deposited Stock and cancellation of the Depositary Shares represented thereby, the Depositary will make appropriate adjustments in its records to reflect such conversion and cancellation (including the reduction of any fractional share of deposited Stock and the issuance of any Excess Shares).

ARTICLE III

CERTAIN OBLIGATIONS OF HOLDERS OF RECEIPTS AND THE COMPANY

Section 3.1. Filing Proofs, Certificates and Other Information. Any holder of a Receipt may be required from time to time to file such proof of residence, or other matters or other information, to execute such certificates and to make such representations and warranties as the Depositary or the Company may reasonably deem necessary or proper or otherwise reasonably request. Subject to applicable law, the Depositary or the Company may withhold the delivery, or delay the registration of transfer, redemption or exchange, of any Receipt or the withdrawal or conversion of the Stock represented by the Depositary Shares evidenced by any Receipt or the distribution of any dividend or other distribution or the sale of any rights or of the

proceeds thereof until such proof or other information is filed or such certificates are executed or such representations and warranties are made.

Section 3.2. **Payment of Taxes or Other Governmental Charges.** Holders of Receipts shall be obligated to make payments to the Depository of certain charges and expenses, as provided in Section 5.7 hereof. Subject to applicable law, registration of transfer of any Receipt or any withdrawal of Stock and all money or other property, if any, represented by the Depository Shares evidenced by such Receipt may be refused until any such payment due is made, and any dividends, interest payments or other distributions may be withheld or any part of or all the Stock or other property represented by the Depository Shares evidenced by such Receipt and not theretofore sold may be sold for the account of the holder thereof (after attempting by reasonable means to notify such holder prior to such sale), and such dividends, interest payments or other distributions or the proceeds of any such sale may be applied to any payment of such charges or expenses, the holder of such Receipt remaining liable for any deficiency.

Section 3.3. **Warranty as to Stock.** The Company hereby represents and warrants that the Stock, when issued, will be duly authorized, validly issued, fully paid and nonassessable. Such representation and warranty shall survive the deposit of the Stock and the issuance of Receipts.

ARTICLE IV

THE DEPOSITED SECURITIES; NOTICES

Section 4.1. **Cash Distributions.** Whenever the Depository shall receive any cash dividend or other cash distribution on Stock (including, without limitation, any applicable Conversion Consideration), the Depository shall, subject to Sections 3.1 and 3.2 hereof, distribute to record holders of Receipts on the record date fixed pursuant to Section 4.4 hereof such amounts of such dividend or distribution as are, as nearly as practicable, in proportion to the respective numbers of Depository Shares evidenced by the Receipts held by such holders; **provided, however, that** in case the Company or the Depository shall be required to withhold and shall withhold from any cash dividend or other cash distribution in respect of the Stock an amount on account of taxes or as otherwise required by law, regulation or court process, the amount made available for distribution or distributed in respect of Depository Shares shall be reduced accordingly. In the event that the calculation of any such cash dividend or other cash distribution to be paid to any record holder on the aggregate number of Depository Receipts held by such holder results in an amount which is a fraction of a cent, the amount the Depository shall distribute to such record holder shall be rounded to the next highest whole cent if such fraction of a cent is equal to or greater than \$.005; otherwise such fractional interest shall be disregarded; and upon request of the Depository, the Company shall pay the additional amount to the Depository for distribution.

Section 4.2. **Distributions Other than Cash, Rights, Preferences or Privileges.** Whenever the Depository shall receive any distribution other than cash, rights, preferences or privileges upon Stock (including, without limitation, any applicable Conversion Consideration) the Depository shall, subject to Sections 3.1 and 3.2 hereof, distribute to record holders of

Receipts on the record date fixed pursuant to Section 4.4 hereof such amounts of the securities or property received by it as are, as nearly as may be practicable, in proportion to the respective numbers of Depositary Shares evidenced by the Receipts held by such holders, in any manner that the Depositary may deem equitable and practicable for accomplishing such distribution. If in the opinion of the Depositary such distribution cannot be made proportionately among such record holders, or if for any other reason (including any requirement that the Company or the Depositary withhold an amount on account of taxes) the Depositary deems (after consultation with the Company) such distribution not to be feasible, the Depositary may, with the approval of the Company, adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, at such place or places and upon such terms as it may deem equitable and appropriate. The net proceeds of any such sale shall, subject to Sections 3.1 and 3.2 hereof, be distributed or made available for distribution, as the case may be, by the Depositary to record holders of Receipts as provided by Section 4.1 hereof in the case of a distribution received in cash.

Section 4.3. **Subscription Rights, Preferences or Privileges.** If the Company shall at any time offer or cause to be offered to the persons in whose names Stock is recorded on the books of the Company any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, the offering of such rights, preferences or privileges shall in each such instance be communicated to the Depositary and thereafter made available by the Depositary to the record holders of Receipts in such manner as the Depositary may determine, either by the issue to such record holders of warrants representing such rights, preferences or privileges or by such other method as may be approved by the Depositary in its discretion with the approval of the Company; **provided, however, that** (i) if at the time of issue or offer of any such rights, preferences or privileges the Depositary determines that it is not lawful or (after consultation with the Company) not feasible to make such rights, preferences or privileges available to holders of Receipts by the issue of warrants or otherwise, or (ii) if and to the extent so instructed by holders of Receipts who do not desire to execute such rights, preferences or privileges, then the Depositary, in its discretion (with approval of the Company, in any case where the Depositary has determined that it is not feasible to make such rights, preferences or privileges available), may, if applicable laws or the terms of such rights, preferences or privileges permit such transfer, sell such rights, preferences or privileges at public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall, subject to Sections 3.1 and 3.2 hereof, be distributed by the Depositary to the record holders of Receipts entitled thereto as provided by Section 4.1 hereof in the case of a distribution received in cash.

If registration under the Securities Act of the securities to which any rights, preferences or privileges relate is required in order for holders of Receipts to be offered or sold the securities to which such rights, preferences or privileges relate, the Company will file promptly a registration statement pursuant to the Securities Act with respect to such rights, preferences or privileges and securities and use its best efforts and take all steps available to it to cause such registration statement to become effective sufficiently in advance of the expiration of such rights, preferences or privileges to enable such holders to exercise such rights, preferences or privileges.

In no event shall the Depositary make available to the holders of Receipts any right, preference or privilege to subscribe for or to purchase any securities unless and until it has received written notice from the Company that such registration statement shall have become effective, or that the offering and sale of such securities to such holders are exempt from registration under the provisions of the Securities Act and the Company shall have provided to the Depositary an opinion of counsel reasonably satisfactory to the Depositary to such effect.

If any other action under the laws of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to holders of Receipts, the Company will use its reasonable best efforts to take such action or obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such holders to exercise such rights, preferences or privileges.

Section 4.4. Notice of Dividends, etc.; Fixing Record Date for Holders of Receipts. Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or if rights, preferences or privileges shall at any time be offered, with respect to Stock, or whenever the Depositary shall receive notice of any meeting at which holders of Stock are entitled to vote or of which holders of Stock are entitled to notice, or whenever the Depositary and the Company shall decide it is appropriate, the Depositary shall in each such instance fix a record date (which shall be the same date as the record date fixed by the Company with respect to or otherwise in accordance with the terms of the Stock) for the determination of the holders of Receipts who shall be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, or who shall be entitled to notice of such meeting or for any other appropriate reasons.

Section 4.5. Voting Rights. Upon receipt of notice of any meeting at which the holders of Stock are entitled to vote, the Depositary shall, as soon as practicable thereafter, mail to the record holders of Receipts a notice which shall contain (i) such information as is contained in such notice of meeting and (ii) a statement that the holders may, subject to any applicable restrictions, instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Stock represented by their respective Depositary Shares (including an express indication that instructions may be given to the Depositary to give a discretionary proxy to a person designated by the Company) and a brief statement as to the manner in which such instructions may be given. Upon the written request of the holders of Receipts on the relevant record date, the Depositary shall use its best efforts to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of whole shares of Stock represented by the Depositary Shares evidenced by all Receipts as to which any particular voting instructions are received. The Company hereby agrees to take all action which may be deemed necessary by the Depositary in order to enable the Depositary to vote such Stock or cause such Stock to be voted. In the absence of specific instructions from the holder of a Receipt, the Depositary will not vote to the extent of the Stock represented by the Depositary Shares evidenced by such Receipt.

Section 4.6. Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc. Upon any change in par value or liquidation preference, split-up,

combination or any other reclassification of the Stock, or upon any recapitalization, reorganization, merger or consolidation affecting the Company or to which it is a party, the Depositary may in its discretion with the approval (not to be unreasonably withheld) of, and shall upon the instructions of, the Company, and (in either case) in such manner as the Depositary may deem equitable, (i) make such adjustments in the fraction of an interest in one share of Stock represented by one Depositary Share as may be necessary (as certified by the Company) fully to reflect the effects of such change in par value or liquidation preference, split-up, combination or other reclassification of Stock, or of such recapitalization, reorganization, merger or consolidation and (ii) treat any securities which shall be received by the Depositary in exchange for or upon conversion of or in respect of the Stock as new deposited securities so received in exchange for or upon conversion or in respect of such Stock. In any such case, the Depositary may in its discretion, with the approval of the Company, execute and deliver additional Receipts or may call for the surrender of all outstanding Receipts to be exchanged for new Receipts specifically describing such new deposited securities. Anything to the contrary herein notwithstanding, holders of Receipts shall have the right from and after the effective date of any such change in par value or liquidation preference, split-up, combination or other reclassification of the Stock or any such recapitalization, reorganization, merger or consolidation to surrender such Receipts to the Depositary with instructions to convert, exchange or surrender the Stock represented thereby only into or for, as the case may be, the kind and amount of shares of stock and other securities and property and cash into which the Stock represented by such Receipts would have been converted or for which such Stock would have been exchanged or surrendered had such Receipt been surrendered immediately prior to the effective date of such transaction.

Section 4.7. **Delivery of Reports.** The Depositary shall furnish to holders of Receipts any reports and communications received from the Company which are received by the Depositary as the holder of Stock.

Section 4.8. **List of Receipt Holders.** Promptly upon request from time to time by the Company, the Depositary shall furnish to it a list, as of the most recent practicable date, of the names, addresses and holdings of Depositary Shares of all record holders of Receipts. The Company shall be entitled to receive such list four times annually.

ARTICLE V

THE DEPOSITARY, THE DEPOSITARY'S AGENTS, THE REGISTRAR AND THE COMPANY

Section 5.1. **Maintenance of Offices, Agencies and Transfer Books by the Depositary; Registrar.** Upon execution of this Deposit Agreement, the Depositary shall maintain at the Depositary's Office facilities for the execution and delivery, registration and registration of transfer, surrender and exchange of Receipts, and at the offices of the Depositary's Agents, if any, facilities for the delivery, registration of transfer, surrender and exchange of Receipts, all in accordance with the provisions of this Deposit Agreement, **provided that**, to the extent provisions of this Deposit Agreement regarding transfer or registrar functions of the Depositary conflict with the terms of any transfer agency agreement into which the Company and the Depositary may enter, the transfer agency agreement shall control.

The Depositary shall keep books at the Depositary's Office for the registration and registration of transfer of Receipts, which books during normal business hours shall be open for inspection by the record holders of Receipts; **provided that** any such holder requesting to exercise such right shall certify to the Depositary that such inspection shall be for a proper purpose reasonably related to such person's interest as an owner of Depositary Shares evidenced by the Receipts. Books kept hereunder by the Depositary may be maintained in electronic form.

The Depositary may close such books, at any time or from time to time, when deemed expedient by it in connection with the performance of its duties hereunder.

The Depositary may, with the approval of the Company, appoint a Registrar for registration of the Receipts or the Depositary Shares evidenced thereby. If the Receipts or the Depositary Shares evidenced thereby or the Stock represented by such Depositary Shares shall be listed on one or more national securities exchanges, the Depositary will appoint a Registrar (acceptable to the Company) for registration of such Receipts or Depositary Shares in accordance with any requirements of such exchange. Such Registrar (which may be the Depositary if so permitted by the requirements of any such exchange) may be removed and a substitute registrar appointed by the Depositary upon the request or with the approval of the Company. If the Receipts, such Depositary Shares or such Stock is listed on one or more other stock exchanges, the Depositary will, at the request and at the expense of the Company, arrange such facilities for the delivery, registration, registration of transfer, surrender and exchange of such Receipts, such Depositary Shares or such Stock as may be required by law or applicable securities exchange regulation.

The Depositary may from time to time appoint Depositary's Agents to act in any respect for the Depositary for the purposes of this Deposit Agreement and may at any time appoint additional Depositary's Agents and vary or terminate the appointment of such Depositary's Agents. The Depositary will notify the Company of any such action.

Section 5.2. Prevention of or Delay in Performance by the Depositary, the Depositary's Agents, the Registrar or the Company. Neither the Depositary nor any Depositary's Agent nor the Registrar nor the Company shall incur any liability to any holder of any Receipt if by reason of any provision of any present or future law, or regulation thereunder, of the United States of America or of any other governmental authority or, in the case of the Depositary, the Depositary's Agent or the Registrar, by reason of any provision, present or future, of the Company's Amended and Restated Articles of Incorporation or by reason of any act of God or war or other circumstance beyond the control of the relevant party, the Depositary, the Depositary's Agent, the Registrar or the Company shall be prevented, delayed or forbidden from, or subjected to any penalty on account of, doing or performing any act or thing which the terms of this Deposit Agreement provide shall be done or performed; nor shall the Depositary, any Depositary's Agent, the Registrar or the Company incur liability to any holder of a Receipt (i) by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which the terms of this Deposit Agreement shall provide shall or may be done or performed, or (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement except, in the case of any such exercise or failure to exercise discretion not caused as aforesaid, if caused by the gross negligence or willful misconduct of the party charged with such exercise or failure to exercise.

Section 5.3. **Obligation of the Depositary, the Depositary's Agents, the Registrar and the Company.** Neither the Depositary nor any Depositary's Agent nor the Registrar nor the Company assumes any obligation or shall be subject to any liability under this Deposit Agreement or any Receipt to holders of Receipts other than for its gross negligence, willful misconduct or bad faith.

Neither the Depositary nor any Depositary's Agent nor the Registrar nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of the Stock, the Depositary Shares or the Receipts which in its reasonable opinion may involve it in expense or liability unless indemnity reasonably satisfactory to it against expense and liability be furnished as often as may be reasonably required.

Neither the Depositary nor any Depositary's Agent nor the Registrar nor the Company shall be liable for any action or any failure to act by it in reliance upon the written advice of legal counsel or accountants, or information from any person presenting Stock for deposit, any holder of a Receipt or any other person believed by it in good faith to be competent to give such information. The Depositary, any Depositary's Agent, the Registrar and the Company may each rely and shall each be protected in acting upon any written notice, request, direction or other document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Depositary shall not be responsible for any failure to carry out any instruction to vote any of the shares of Stock or for the manner or effect of any such vote made, as long as any such action or inaction is in good faith. The Depositary undertakes and any Registrar shall be required to undertake only such duties as specifically set forth herein and no implied covenants or obligations shall be read into this Deposit Agreement against the Depositary or Registrar. In no event shall the Depositary's aggregate liability during the term of this Deposit Agreement with respect to, arising from, or arising in connection with this Deposit Agreement, or from all services provided or omitted to be provided under this Deposit Agreement, whether in contract, or in tort, or otherwise, exceed an amount equal to the aggregate of the amounts paid by the Company to Depositary as fees and charges, but not including reimbursable expenses.

The Depositary, its parent, affiliates or subsidiaries, the Depositary's Agents and the Registrar may own, buy, sell and deal in any class of securities of the Company and its affiliates and in Receipts or Depositary Shares or become pecuniarily interested in any transaction in which the Company or its affiliates may be interested or contract with or lend money to any such person or otherwise act as fully or as freely as if it were not the Depositary, parent, affiliate or subsidiary or Depositary's Agent or Registrar hereunder. The Depositary may also act as trustee, transfer agent or registrar of any of the securities of the Company and its affiliates.

It is intended that neither the Depositary nor any Depositary's Agent nor the Registrar, acting as the Depositary's Agent or Registrar, as the case may be, shall be deemed to be an "issuer" of the securities under the federal securities laws or applicable state securities laws, it being expressly understood and agreed that the Depositary, any Depositary's Agent and the Registrar are acting only in a ministerial capacity as Depositary or Registrar for the Stock.

Neither the Depositary (or its officers, directors, employees or agents) nor any Depositary's Agent nor the Registrar makes any representation or has any responsibility as to the validity of the registration statement pursuant to which the Depositary Shares are registered under the Securities Act, the Stock, the Depositary Shares or the Receipts (except for its countersignatures thereon) or any instruments referred to therein or herein, or as to the correctness of any statement made therein or herein.

The Depositary assumes no responsibility for the correctness of the description that appears in the Receipts. Notwithstanding any other provision herein or in the Receipts, the Depositary makes no warranties or representations as to the validity or genuineness of any Stock at any time deposited with the Depositary hereunder or of the Depositary Shares, as to the validity or sufficiency of this Deposit Agreement, as to the value of the Depositary Shares or as to any right, title or interest of the record holders of Receipts in and to the Depositary Shares. The Depositary shall not be accountable for the use or application by the Company of the Depositary Shares or the Receipts or the proceeds thereof.

The Depositary shall not be liable for any incidental, indirect, special or consequential damages of any nature whatsoever, including, but not limited to, loss of anticipated profits, occasioned by breach of any provisions of this Agreement even if apprised of the possibility of such damages.

Section 5.4. **Resignation and Removal of the Depositary; Appointment of Successor Depositary.** The Depositary may at any time resign as Depositary hereunder by delivering notice of its election to do so to the Company, such resignation to take effect upon the appointment of a successor Depositary and its acceptance of such appointment as hereinafter provided.

The Depositary may at any time be removed by the Company by notice of such removal delivered to the Depositary, such removal to take effect upon the appointment of a successor Depositary and its acceptance of such appointment as hereinafter provided.

In case at any time the Depositary acting hereunder shall resign or be removed, the Company shall, within 60 days after the delivery of the notice of resignation or removal, as the case may be, appoint a successor Depositary, which shall be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus of at least \$150,000,000. If no successor Depositary shall have been so appointed and have accepted appointment within 60 days after delivery of such notice, the resigning or removed Depositary may petition any court of competent jurisdiction for the appointment of a successor Depositary. Every successor Depositary shall execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor Depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the Depositary under this Deposit Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Company, shall execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the Stock and any moneys or property held hereunder to such successor, and shall deliver to such successor a list of the record holders of all outstanding Receipts and

such records, books and other information in its possession relating thereto. Any successor Depositary shall promptly mail notice of its appointment to the record holders of Receipts.

Any corporation into or with which the Depositary may be merged, consolidated or converted shall be the successor of such Depositary without the execution or filing of any document or any further act, and notice thereof shall not be required hereunder. Such successor Depositary may authenticate the Receipts in the name of the predecessor Depositary or in the name of the successor Depositary.

Section 5.5. Corporate Notices and Reports. The Company agrees that it will deliver to the Depositary, and the Depositary will, promptly after receipt thereof, transmit to the record holders of Receipts, in each case at the addresses recorded in the Depositary's books, copies of all notices and reports (including without limitation financial statements) required by law or by the rules of any national securities exchange upon which the Stock, the Depositary Shares or the Receipts are listed, to be furnished to the record holders of Receipts. Such transmission will be at the Company's expense and the Company will provide the Depositary with such number of copies of such documents as the Depositary may reasonably request.

Section 5.6. Indemnification by the Company. The Company shall indemnify the Depositary, any Depositary's Agent and the Registrar against, and hold each of them harmless from, any loss, liability or expense (including the reasonable costs and expenses of defending itself) which may arise out of acts performed or omitted in connection with this Deposit Agreement and the Receipts by the Depositary, any Registrar or any of their respective agents (including any Depositary's Agent), except for any liability arising out of gross negligence, willful misconduct or bad faith on the respective parts of any such person or persons, subject to the provisions of Section 5.3, above. The obligations of the Company set forth in this Section 5.6 hereof shall survive any termination of this Deposit Agreement or any succession of any Depositary or Depositary's Agent.

Section 5.7. Charges and Expenses. The Company shall pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. The Company shall pay charges of the Depositary in connection with the initial deposit of the Stock and the initial issuance of the Depositary Shares, all withdrawals of shares of the Stock by owners of Depositary Shares, and any redemption of the Stock at the option of the Company. All other transfer and other taxes and governmental charges shall be at the expense of holders of Depositary Shares. If, at the request of a holder of Receipts, the Depositary incurs charges or expenses for which it is not otherwise liable hereunder, such holder will be liable for such charges and expenses. All other charges and expenses of the Depositary and any Depositary's Agent hereunder (including, in each case, reasonable fees and expenses of counsel) incident to the performance of their respective obligations hereunder will be paid upon consultation and agreement between the Depositary and the Company as to the amount and nature of such charges and expenses. The Depositary shall present its statement for charges and expenses to the Company at such intervals as the Company and the Depositary may agree.

Section 5.8. Tax Compliance. The Depositary, on its own behalf and on behalf of the Company, will comply with all applicable certification, information reporting and withholding (including "backup" withholding) requirements imposed by applicable tax laws, regulations or

administrative practice with respect to (i) any payments made with respect to the Depositary Shares or (ii) the issuance, delivery, holding, transfer, redemption or exercise of rights under the Depositary Receipts or the Depositary Shares. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the timely payment of all amounts required to be withheld to the appropriate taxing authority or its designated agent.

The Depositary shall comply with any direction received from the Company with respect to the application of such requirements to particular payments or holders or in other particular circumstances, and may for purposes of this Deposit Agreement rely on any such direction in accordance with the provisions of Section 5.3 hereof.

The Depositary shall maintain all appropriate records documenting compliance with such requirements, and shall make such records available on request to the Company or to its authorized representatives.

ARTICLE VI

AMENDMENT AND TERMINATION

Section 6.1. **Amendment.** The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary in any respect which they may deem necessary or desirable; **provided, however, that** no such amendment (other than any change in the fees) which shall materially adversely alter the rights of the holders of Receipts shall be effective unless such amendment shall have been approved by the holders of at least a majority of the Depositary Shares then outstanding. Every holder of an outstanding Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Receipt, to be bound by the Deposit Agreement as amended thereby. Subject to Section 2.10 hereof, notwithstanding the foregoing, in no event may any amendment impair the right of any holder of any Depositary Shares, upon surrender of the Receipts evidencing such Depositary Shares and subject to any conditions specified in this Deposit Agreement, to receive shares of Stock and any money or other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law.

Section 6.2. **Termination.** On or after the one-year anniversary of the date hereof, this Deposit Agreement may be terminated by the Company at any time upon not less than 90 days' prior written notice to the Depositary, in which case, on a date that is not later than 90 days after the date of such notice, the Depositary shall deliver or make available for delivery to holders of Depositary Shares, upon surrender of the Receipts evidencing such Depositary Shares, such number of whole or fractional shares of Stock as are represented by such Depositary Shares. This Deposit Agreement will automatically terminate after (i) all outstanding Depositary Shares have been redeemed pursuant to Section 2.8 hereof or (ii) there shall have been made a final distribution in respect of the Stock in connection with any liquidation, dissolution or winding up of the Company and such distribution shall have been distributed to the holders of Depositary Receipts pursuant to Section 4.1 or 4.2 hereof, as applicable.

Upon the termination of this Deposit Agreement, the Company shall be discharged from all obligations under this Deposit Agreement, except for its obligations to the Depository, the Registrar and any Depository's Agent under Sections 5.6 and 5.7 hereof.

ARTICLE VII

MISCELLANEOUS

Section 7.1. **Counterparts.** This Deposit Agreement may be executed in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument.

Section 7.2. **Exclusive Benefit of Parties.** This Deposit Agreement is for the exclusive benefit of the parties hereto, and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other person whatsoever.

Section 7.3. **Invalidity of Provisions.** In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

Section 7.4. **Notices.** Any and all notices to be given to the Company hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, or by telegram or facsimile transmission confirmed by letter, addressed to the Company at:

Equity Lifestyle Properties, Inc.
Two North Riverside Plaza
Suite 800
Chicago, Illinois 60606
Attn: Kenneth A. Kroot, Esq.
Facsimile No.: 312-279-1653

or at any other address of which the Company shall have notified the Depository in writing.

Any and all notices to be given to the Depository hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or by telegram or facsimile transmission confirmed by letter, addressed to the Depository at the Depository's Office, at:

American Stock Transfer & Trust Company, LLC
10150 Mallard Creek Rd, Suite 307
Charlotte, NC 28262
Attn: Relationship Manager
Facsimile No.: 718-765-8742

or at any other address of which the Depository shall have notified the Company in writing.

Any and all notices to be given to any record holder of a Receipt hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, or by telegram or facsimile transmission confirmed by letter, addressed to such record holder at the address of such record holder as it appears on the books of the Depositary, or if such holder shall have filed with the Depositary a written request that notices intended for such holder be mailed to some other address, at the address designated in such request.

Delivery of a notice sent by mail or by telegram or facsimile transmission shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a telegram or facsimile transmission) is deposited for mailing by first class mail, postage prepaid. The Depositary or the Company may, however, act upon any telegram or facsimile transmission received by it from the other or from any holder of a Receipt, notwithstanding that such telegram or facsimile transmission shall not subsequently be confirmed by letter or as aforesaid.

Section 7.5. **Appointment of Registrar.** The Company hereby also appoints the Depositary as Registrar in respect of the Receipts and the Depositary hereby accepts such appointments.

Section 7.6. **Holders of Receipts Are Parties.** The holders of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance of delivery thereof.

Section 7.7. **Governing Law.** THIS DEPOSIT AGREEMENT AND THE RECEIPTS AND ALL RIGHTS HEREUNDER AND THEREUNDER AND PROVISIONS HEREOF AND THEREOF SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS APPLICABLE TO CONTRACTS MADE IN AND TO BE PERFORMED IN THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

Section 7.8. **Inspection of Deposit Agreement.** Copies of this Deposit Agreement shall be filed with the Depositary and the Depositary's Agent and shall be open to inspection during business hours at the Depositary's office or respective offices of the Depositary's Agent, if any, by any holder of a Receipt.

Section 7.9. **Headings.** The headings of articles and sections in this Deposit Agreement have been inserted for convenience only and are not to be regarded as a part of this Deposit Agreement or the Receipts or to have any bearing upon the meaning or interpretation of any provision contained herein or in the Receipts.

Section 7.10. **Conflicts.** In the event that a conflict exists between the provisions of this Agreement and the provisions of the Articles Supplementary, the provisions of the Articles Supplementary shall control.

IN WITNESS WHEREOF, the Company and the Depositary have duly executed this Agreement as of the day and year first above set forth, and all holders of Receipts shall become parties hereto by and upon acceptance by them of delivery of Receipts issued in accordance with the terms hereof.

EQUITY LIFESTYLE PROPERTIES, INC.

Name:
Title:

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC

Name:
Title:

ANNEX A

**FORM OF RECEIPT FOR DEPOSITARY SHARES EACH REPRESENTING 1/100 OF A
SHARE OF 6.75% SERIES C CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK**

Number _____

_____ Shares
CUSIP _____



SEE REVERSE FOR CERTAIN DEFINITIONS AND RESTRICTIONS

EQUITY LIFESTYLE PROPERTIES, INC.

a Corporation Formed Under the Laws of the State of Maryland

American Stock Transfer & Trust Company, LLC, as Depositary (the "Depositary") hereby certifies that _____ is a registered owner of _____ DEPOSITARY SHARES (the "Depositary Shares"), each Depositary Share representing 1/100 of one share of 6.25% Series C Cumulative Redeemable Perpetual Preferred Stock, \$.01 par value per share (the "Shares") of **EQUITY LIFESTYLE PROPERTIES, INC.** (the "Corporation"), on deposit with the Depositary, subject to the terms and entitled to the benefits of the Deposit Agreement, dated as of September ____, 2012, among the Corporation, the Depositary and the holders from time to time of Receipts for Depositary Shares. By accepting this Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement. This Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depositary by the manual or facsimile signature of a duly authorized officer and, if a Registrar, in respect of the Receipt (other than the Depositary) shall have been appointed, also by the manual signature of a duly authorized officer of such Registrar.

Dated: _____

Countersigned and Registered:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
Depositary

By: _____
Authorized Signature

JT TEN -as joint tenants with right of survivorship
and not as tenants in common

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please Print or Typewrite Name and Address Including Zip Code, of Assignee)

Depository Shares represented by the within Receipt, and do hereby irrevocably constitute and appoint _____ attorney to transfer the said Depository Shares on the books of the within named Corporation with full power of substitution in the premises.

X _____

X _____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed

By: _____

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15



Investment Banking

Valuation & Financial Advisory

Special Situations

August 7, 2012

CONFIDENTIAL

Board of Directors
Equity Lifestyle Properties, Inc.
2 N. Riverside Plaza
Suite 800
Chicago, IL 60606

Dear Board of Directors:

We understand that Equity Lifestyle Properties, Inc. ("ELS" or the "Company") is contemplating a transaction (the "Transaction") pursuant to which it will seek to replace the existing 8.034% redeemable Series A Preferred Stock (the "Series A Preferred Stock") with newly issued preferred shares (the "New Preferred Stock"). The New Preferred Stock will have a liquidation preference of \$25, upon certain change of control events be convertible into common shares subject to a share cap of 0.7 and an exchange cap of 5.6 million shares, bear a dividend rate of 6.75% and be non-callable for a 5-year period.

You have requested that Houlihan Capital, LLC ("Houlihan") render a written opinion (whether or not favorable) to the Board of Directors of the Company (the "Board of Directors"), as to whether, on the date of such opinion, the Transaction is fair, from a financial point of view, to the existing preferred shareholders of the Company.

In completing our analyses and for purposes of the Opinion set forth herein, Houlihan has, among other things, performed the following:

- Held discussions with certain members of ELS' senior management ("Management") regarding the Transaction and the future outlook for the Company;
- Reviewed a draft document outlining the key terms of the New Preferred Stock, dated July 23, 2012;
- Reviewed a draft Tender Offer Statement on Schedule TO, dated August 1, 2012;
- Reviewed a document comparing the key terms of the Series A Preferred Stock with the key terms of other preferred stock issued by Real Estate Investment Trusts;

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www.houlihan.com

- Reviewed an ELP presentation regarding a line of credit extension, dated July 2, 2012;
- Reviewed a third amendment to an amended and restated credit agreement by and among MHC Operating Limited Partnership, ELS, certain lenders and Wells Fargo Bank National Association, dated July 20, 2012;
- Obtained, reviewed and/or analyzed certain information relating to the historical, current and future operations of the Company on a pro forma basis including, but not limited to the following:
 - o The Company's latest reports on Form 10-Q and 10-K and other relevant public documents as filed with the Securities and Exchange Commission; and
 - o Company presentations and other supplemental financial information filed on the Company's website.
- Reviewed approved and draft board meeting, audit committee meeting, executive committee meeting, and compensation, nominating and corporate governance committee meeting minutes of ELS as well as the annual meeting of stockholders draft meeting minutes from July 31, 2011 through July 31, 2012;
- Reviewed certain insurance policies of ELS covering D&O insurance policies and other property, liabilities and operations insurance policies;
- Reviewed the industry in which the Company operates, which included a review of (i) certain industry research, (ii) certain comparable publicly traded companies and (iii) comparable issuances of preferred stock; and
- Reviewed certain other relevant, publicly available information, including economic, industry, and Company specific information.

In performing its analysis, among other things, Houlihan considered the following factors which are typically important in the analysis of a going private transaction:

- Current market prices of preferred stock;
- Historical market prices of preferred stock;
- The net book value of the Company;



- The going concern value of the Company;
- The liquidation value of the Company;
- The price paid for the Series A Preferred Stock in purchases by the Company or its affiliates over the previous two fiscal years;
- Reports, opinions, or appraisals received by the Company or its affiliates relating to the Transaction's fairness; and
- Other firm offers during the preceding two years for merger, consolidation, or sale of assets of the Company, or for securities of the Company sought in order to exercise control.

This Opinion is subject to the conditions, limitations, and understandings as set forth herein. In an engagement letter dated August 1, 2012, Houlihan has been indemnified by the Company with respect to its Opinion, subject to the understanding that the obligations of Houlihan and any of its affiliates in the Transaction are solely corporate obligations, and no officer, director, employee, agent, shareholder, or controlling person of Houlihan or any of its affiliates shall be subjected to any personal liability whatsoever to any person (other than for gross negligence or willful misconduct) nor will any such claim be asserted by or on behalf of the Company against any such person with respect to the Opinion other than Houlihan.

We have relied upon and assumed, without independent verification, the accuracy, completeness and reasonableness of the financial, legal, tax, and other information discussed with or reviewed by us and have assumed such accuracy and completeness for purposes of rendering an opinion. In addition, we have not made any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of the Company, nor have we been furnished with any such evaluation or appraisal. We have further relied upon the assurances and representations from senior management of the Company that they are unaware of any facts that would make the information provided to us to be incomplete or misleading for the purposes of our Opinion. We have not assumed responsibility for any independent verification of this information nor have we assumed any obligation to verify this information.

Nothing has come to our attention in the course of this engagement which would lead us to believe that (i) any information provided to us or assumptions made by us are insufficient or inaccurate in any material respect or (ii) it is unreasonable for us to use and rely upon such information or make such assumptions.

Several analytical methodologies have been employed in our analysis and no one method of analysis should be regarded as critical to the overall conclusion we have reached. Each



analytical technique has inherent strengths and weaknesses, and the nature of the available information may further affect the value of particular techniques.

Each of the analyses conducted by Houlihan was carried out to provide a particular perspective of the Transaction. Houlihan did not form a conclusion as to whether any individual analysis, when considered in isolation, supported or failed to support our Opinion as to the fairness of the Transaction. Houlihan does not place any specific reliance or weight on any individual analysis, but instead, concludes that its analyses taken as a whole, support its conclusion and Opinion. Accordingly, Houlihan believes that its analyses must be considered in its entirety and that selecting portions of its analyses or the factors it considered, without considering all analyses and factors collectively, could create an incomplete view of the processes underlying the analyses performed by Houlihan in connection with the preparation of the Opinion.

In our analysis and in connection with the preparation of this Opinion, Houlihan has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Transaction. Our Opinion is necessarily based on business, economic, market and other conditions as they exist and can be evaluated by us at the date of this letter.

Our Opinion does not constitute a recommendation to proceed with the Transaction. This Opinion relates solely to the question of the fairness to the existing preferred shareholders of the Company. We are expressing no opinion as to the income tax consequences of the Transaction.

Houlihan Capital, LLC, a Financial Industry Regulatory Authority (FINRA) member, as part of its investment banking services, is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, private placements, bankruptcy, capital restructuring, solvency analyses, stock buybacks, and valuations for corporate and other purposes. Houlihan has no prior investment banking relationships with the Company. Houlihan received a fee from the Company relating to its services in providing this Opinion that is not contingent on the consummation of the proposed Transaction. In an engagement letter dated August 1, 2012, the Company has agreed to indemnify Houlihan with respect to Houlihan's services.

Based upon the foregoing, it is our opinion as of the date hereof, the Transaction is fair, from a financial point of view, to the existing preferred shareholders of the Company.

Respectfully submitted,



Houlihan Capital, LLC

