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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report: June 14, 2005
(Date of earliest event reported)

EQUITY LIFESTYLE PROPERTIES, INC.
(Exact name of registrant as specified in its charter)

MARYLAND	1-11718	36-3857664
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(IRS Employer Identification Number)

TWO NORTH RIVERSIDE PLAZA, CHICAGO, ILLINOIS	60606
(Address of principal executive offices)	(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

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

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

ITEM 8.01. OTHER EVENTS

Equity Lifestyle Properties, Inc. ("ELS") is re-issuing in an updated format certain historical financial statements in connection with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). During the three months ended March 31, 2005, ELS held properties for sale and in compliance with SFAS 144 has reported revenue, expenses and net gains from the sale of these properties and provisions for loss on assets held for sale as discontinued operations for each period presented (including the comparable periods of the prior year). Under Securities and Exchange Commission ("SEC") requirements, the same reclassification as discontinued operations required by SFAS 144 following the sale of a property or a property designated as held for sale is required for previously issued annual financial statements for each of the three years shown in ELS' last annual report on Form 10-K, if those financials are incorporated by reference in subsequent filings with the SEC made under the Securities Act of 1933, as amended, even though those financial statements relate to periods prior to the date of the sale. This reclassification has no effect on ELS' reported net income available to common shareholders or funds from operations.

This Report on Form 8-K updates Items 6, 7 and 8 of ELS' 2004 Form 10-K dated March 29, 2005, as amended by Form 10-K/A dated March 31, 2005 (as so amended, the "Form 10-K"), to reflect the properties held for sale as of March 31, 2005 as discontinued operations. All other items of the Form 10-K remain unchanged. No attempt has been made to update matters in the Form 10-K except to the extent expressly provided above.

This document includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used, words such as "anticipate", "expect", "believe", "intend", "may be" and "will be" and similar words or phrases, or the negative thereof, unless the context requires otherwise, are intended to identify forward-looking statements. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, including, but not limited to: in the age-qualified communities, home sales results could be impacted by the ability of potential homebuyers to sell their existing residences as well as by financial markets volatility; in the all-age communities, results from home sales and occupancy will continue to be impacted by local economic conditions, lack of affordable manufactured home financing, and competition from alternative housing options including site-built single-family housing; our ability to maintain rental rates and occupancy with respect to properties currently owned or pending acquisitions; our assumptions about rental and home sales markets; the completion of pending acquisitions and timing with respect thereto; the effect of interest rates as well as other risks indicated from time to time in our filings with the SEC. These forward-looking statements are based on management's present expectations and beliefs about future events. As with any projection or forecast, these statements are inherently susceptible to uncertainty and changes in circumstances. ELS is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements whether as a result of such changes, new information, subsequent events or otherwise.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits:

The following exhibits required by this item are being filed with this Current Report on Form 8-K.

12.1 Computation of Ratio of Earnings to Fixed Charges

23.1 Consent of Independent Registered Public Accounting Firm

31.1 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

99.1 Selected Financial Data

Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Statements and Supplementary Data

SIGNATURES

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

EQUITY LIFESTYLE PROPERTIES, INC.

Date: June 14, 2005 By: /s/ Thomas P. Heneghan

Thomas P. Heneghan
President and Chief Executive Officer
(Principal Executive Officer)

Date: June 14, 2005 By: /s/ Michael B. Berman

Michael B. Berman
Vice President, Treasurer
and Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer)

EXHIBIT 12.1

EQUITY LIFESTYLE PROPERTIES, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in thousands)

	For the years ended December 31,				
	2004	2003	2002	2001	2000
		(restated)	(restated)	(restated)	
Income from continuing operations before allocation to minority interests..............	$ 14,513	$ 28,431	$ 32,674	$ 43,685	$ 46,132
Fixed Charges...................................	102,218	69,458	61,977	62,539	64,532
Earnings..	$ 116,731	$ 97,889	$ 94,651	$ 106,224	$ 110,664
Interest incurred...............................	88,801	53,180	49,714	50,179	52,317
Amortization of deferred financing costs........	2,169	5,026	1,011	1,108	963
Perpetual Preferred OP Unit Distributions.......	11,248	11,252	11,252	11,252	11,252
Fixed Charges...................................	$ 102,218	$ 69,458	$ 61,977	$ 62,539	$ 64,532
Earnings/Fixed Charges..........................	1.14	1.41	1.53	1.70	1.71

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporated by reference in the Registration Statements (Form S-8 No. 333-68473, No. 333-28469, No. 333-25295, and No. 33-76486, and Form S-3 No. 333-66550, No. 333-90813, No. 333-65515, No. 333-25297, No. 333-1710, No. 33-82902 and No. 33-97288) of Equity Lifestyle Properties, Inc., and in the related Prospectuses, of our report dated March 24, 2005, except for Notes 4 and 6, as to which the date is June 7, 2005, with respect to the consolidated financial statements and schedules of Equity Lifestyle Properties, Inc., included in this Current Report on Form 8-K.

ERNST & YOUNG LLP
Chicago, Illinois
June 14, 2005

EXHIBIT 31.1

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael B. Berman, certify that:

1. I have reviewed this report of Equity Lifestyle Properties, Inc.:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

Dated: June 14, 2005

/s/ Michael B. Berman

Michael B. Berman
Vice President, Treasurer and Chief
Financial Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas P. Heneghan, certify that:

1. I have reviewed this report of Equity Lifestyle Properties, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

Date: June 14, 2005

/s/ Thomas P. Heneghan

Thomas P. Heneghan
President and Chief Executive Officer

EXHIBIT 99.1

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial and operating information on a historical basis. The historical operating data for the four years ended December 31, 2003 have been derived from the historical financial statements of the Company; however, they have been restated to reflect adjustments that are further explained in Note 2 of the Notes to Consolidated Financial Statements. The following information should be read in conjunction with Item 8.

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED HISTORICAL FINANCIAL INFORMATION
(Amounts in thousands, except for per share and property data)

	(1) YEARS ENDED DECEMBER 31,				
	2004	2003	2002	2001	2000
		(Restated)	(Restated)	(Restated)	
PROPERTY OPERATIONS:					
Community base rental income	$ 204,190	$ 189,915	$187,406	$ 183,580	$177,601
Resort base rental income	54,841	11,779	9,143	5,743	7,404
Utility and other income	24,278	19,411	18,933	19,628	18,820
Property operating revenues	283,309	221,105	215,482	208,951	203,825
Property operating and maintenance	92,121	61,945	59,839	57,780	55,011
Real estate taxes	22,723	18,011	16,919	16,047	15,535
Property management	12,852	9,373	9,292	8,973	8,690
Property operating expenses (exclusive of depreciation shown separately below)	127,696	89,329	86,050	82,800	79,236
Income from property operations	155,613	131,776	129,432	126,151	124,589
HOME SALES OPERATIONS:					
Gross revenues from inventory home sales	47,404	36,472	33,262	---	---
Cost of inventory home sales	(41,577)	(31,615)	(26,922)	---	---
Gross profit from inventory home sales	5,827	4,857	6,340	---	---
Brokered resale revenues, net	2,176	1,714	1,558	---	---
Home selling expenses	(8,630)	(7,287)	(7,570)	---	---
Ancillary services revenues, net	2,743	162	448	---	---
Income (loss) from home sales operations & other	2,116	(554)	776	---	---
OTHER INCOME (EXPENSES):					
Interest income	1,391	1,695	967	639	1,009
Equity in income of affiliates	---	---	---	1,758	2,408
Income from other investments (2)	3,475	956	316	383	150
General and administrative	(9,243)	(8,060)	(8,192)	(6,687)	(6,423)
Rent control initiatives	(2,412)	(2,352)	(5,698)	(2,358)	---
Interest and related amortization (3)	(90,970)	(58,206)	(50,725)	(51,287)	(53,280)
Depreciation on corporate assets	(1,657)	(1,240)	(1,277)	(1,243)	(1,139)
Depreciation on real estate assets and other costs	(47,541)	(35,924)	(33,160)	(32,181)	(32,202)
Total other income (expenses)	(146,957)	(103,131)	(97,769)	(90,976)	(89,477)
Income before minority interests, equity in income of unconsolidated joint ventures, loss on extinguishment of debt, gain on sale of property and discontinued operations	10,772	28,091	32,439	35,175	35,112
(Income) allocated to Common OP Units	(608)	(3,431)	(4,230)	(6,612)	(7,311)
(Income) allocated to Perpetual Preferred OP Units	(11,284)	(11,252)	(11,252)	(11,252)	(11,252)
Equity in income of unconsolidated joint ventures	3,739	340	235	282	8
Income before loss on extinguishment of debt, gain on sale of properties and other, and discontinued operations	2,619	13,748	17,192	17,593	16,557
Loss on the extinguishment of debt	---	---	---	---	(1,041)
Gain on sale of properties and other	2	---	---	8,168	12,053
Income from continuing operations	2,621	13,748	17,192	25,761	27,569
DISCONTINUED OPERATIONS:					
Discontinued Operations	2,450	4,607	7,387	7,525	7,225
Depreciation on discontinued operations	(1,353)	(1,476)	(2,150)	(1,964)	(1,697)
Gain on sale of discontinued properties and other	636	10,826	13,014	---	---
Minority interests on discontinued operations	(328)	(2,573)	(3,556)	(1,125)	(1,152)
Income from discontinued operations	1,405	11,384	14,695	4,436	4,376

NET INCOME AVAILABLE FOR COMMON SHARES......	$ 4,026	$ 25,132	$ 31,887	$ 30,197	$ 31,945
	=========	==========	=========	==========	========

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED HISTORICAL FINANCIAL INFORMATION
(continued)
(Amounts in thousands, except for per share and property data)

	(1) AS OF DECEMBER 31,				
	2004	2003	2002	2001	2000
		(Restated)	(Restated)	(Restated)	
EARNINGS PER COMMON SHARE - BASIC:					
Income from continuing operations	$ 0.12	$ 0.62	$ 0.80	$ 1.23	$ 1.29
Income from discontinued operations	$ 0.06	$ 0.52	$ 0.68	$ 0.21	$ 0.20
Net income available for Common Shares	$ 0.18	$ 1.14	$ 1.48	$ 1.44	$ 1.49
EARNINGS PER COMMON SHARE - FULLY DILUTED:					
Income from continuing operations	$ 0.11	$ 0.61	$ 0.78	$ 1.20	$ 1.27
Income from discontinued operations	$ 0.06	$ 0.50	$ 0.66	$ 0.20	$ 0.20
Net income available for Common Shares	$ 0.17	$ 1.11	$ 1.44	$ 1.40	$ 1.47
Distributions declared per Common Share outstanding (3)	$ 0.05	$ 9.485	$ 1.90	$ 1.78	$ 1.66
Weighted average Common Shares outstanding - basic	22,849	22,077	21,617	21,036	21,469
Weighted average Common OP Units outstanding	6,067	5,342	5,403	5,466	5,592
Weighted average Common Shares outstanding - fully diluted	29,465	28,002	27,632	27,010	27,408
BALANCE SHEET DATA:					
Real estate, before accumulated depreciation (4)	$2,035,790	$1,309,705	$1,296,007	$1,238,138	$1,218,176
Total assets	1,886,289	1,463,507	1,154,794	1,099,447	1,104,304
Total mortgages and loans (3)	1,653,051	1,076,183	760,233	708,857	719,684
Minority interests	134,771	124,634	166,889	170,675	171,271
Stockholders' equity (3)	31,844	(2,528)	171,175	173,264	168,095
OTHER DATA:					
Funds from operations (5)	$ 54,448	$ 58,479	$ 62,695	$ 64,599	$ 63,807
Net cash flow:					
Operating activities	$ 46,733	$ 75,163	$ 80,176	$ 80,708	$ 68,001
Investing activities	$ (366,654)	$ (598)	$ (72,973)	$ (23,067)	$ 23,102
Financing activities	$ (514)	$ 243,905	$ (1,287)	$ (59,134)	$ (94,932)
Total Properties (at end of period)	275	142	142	149	154
Total sites (at end of period)	101,231	52,349	51,582	50,663	51,304

(1) See the Consolidated Financial Statements of the Company included elsewhere herein. Certain 2003, 2002, 2001, and 2000 amounts have been reclassified to conform to the 2004 financial presentation. Such reclassifications have no effect on the operations or equity as originally presented.

Net Income for the years ended December 31, 2003, 2002 and 2001 have been restated (see Note 2 of the Notes to Consolidated Financial Statements contained in Item 8) to reflect a change in the Company's accounting policy with regards to its rent control initiatives. The Company received a comment letter from the SEC with regard to prior filings. These issues were outlined in our press release dated March 4, 2005. The issues have been resolved and resulted in this restatement.

(2) On November 10, 2004, we acquired KTTI Holding Company, Inc., owner of 57 Properties and approximately 3,000 acres of vacant land, for $160 million ("Thousand Trails Transaction"). These Properties are leased to Thousand Trails, the largest operator of membership-based campgrounds in the United States. The Company has provided a long-term lease of the real estate (excluding the vacant land) to Thousand Trails, which will continue to operate the Properties for the benefit of its approximately 108,000 members nationwide. The Properties are located in 16 states (primarily in the western and southern United States) and British Columbia, and contain 17,911 sites. The lease will generate $16 million in rental income to the Company on an absolute triple net basis, subject to annual escalations of 3.25%. As of December 31, 2004, approximately $2.3 million represents income for November 10, 2004 through December 31, 2004.

(3) On October 17, 2003, we closed 49 mortgage loans collateralized by 51 Properties (the "Recap") providing total proceeds of approximately $501 million at a weighted average interest rate of 5.84% and with a weighted average maturity of approximately 9 years. Approximately $170 million of the proceeds were used to repay amounts outstanding on the Company's line of credit and term loan. Approximately $225 million was used to pay a special distribution of $8.00 per share on January 16, 2004. The remaining funds were used for investment purposes in 2004. The Recap resulted in increased interest and amortization expense and the special distribution resulted in decreased stockholder's equity.

In connection with the $501 million borrowing and subsequent special distribution, on February 27, 2004, the Company contributed all of its assets to MHC Trust, a newly formed Maryland real estate investment trust, including the Company's entire partnership interest in the Operating Partnership. This restructuring resulted in a step-up in the Company's tax basis in its assets, generating future depreciation deductions, which in turn will reduce the Company's future distribution requirements. This provides the Company with greater financial flexibility and greater growth potential (see Note 5 of the Notes to Consolidated Financial Statements contained in Item 8).

(4) We believe that the book value of the Properties, which reflects the historical costs of such real estate assets less accumulated depreciation, is less than the current market value of the Properties.

(5) Funds from Operations ("FFO") is a non-GAAP financial measure. The Company believes that FFO, as defined by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), to be an appropriate measure of performance for an equity REIT. While FFO is a relevant and widely used measure of operating performance for equity REITs, it does not represent cash flow from operations or net income as defined by GAAP, and it should not be considered as an alternative to these indicators in evaluating liquidity or operating performance.

FFO is defined as net income, computed in accordance with GAAP, excluding gains or losses from sales of Properties, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. The Company believes that FFO is helpful to investors as one of several measures of the performance of an equity REIT. The Company further believes that by excluding the effect of depreciation, amortization and gains or losses from sales of real estate, all of which are based on historical costs and which may be of limited relevance in evaluating current performance, FFO can facilitate comparisons of operating performance between periods and among other equity REITs. Investors should review FFO, along with GAAP net income and cash flow from operating activities, investing activities and financing activities, when evaluating an equity REIT's operating performance. The Company computes FFO in accordance with standards established by NAREIT, which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do. FFO does not represent cash generated from operating activities in accordance with GAAP, nor does it represent cash available to pay distributions and should not be considered as an alternative to net income, determined in accordance with GAAP, as an indication of our financial performance, or to cash flow from operating activities, determined in accordance with GAAP, as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make cash distributions.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with "Selected Financial Data" and the historical Consolidated Financial Statements and Notes thereto appearing elsewhere in this Form 10-K. The following discussion may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 which reflect management's current views with respect to future events and financial performance. Such forward-looking statements are subject to certain risks and uncertainties, including, but not limited to, the effects of future events on the Company's financial performance; the adverse impact of external factors such as inflation and consumer confidence; interest rates; and the risks associated with real estate ownership.

2004 ACCOMPLISHMENTS

- Invested in 135 Properties with approximately 50,000 sites.

- Increased presence in Florida and Arizona markets.

- Increased home sales volumes and profitability.

- Changed our name from Manufactured Home Communities, Inc. to Equity Lifestyle Properties, Inc., symbolizing our focus on lifestyle-oriented customers.

- Developed relationships with leading brand names such as Encore and Thousand Trails, creating a larger customer resource base.

OVERVIEW AND OUTLOOK

Occupancy in our Properties as well as our ability to increase rental rates directly affect revenues. Our revenue streams are predominantly derived from customers renting our sites on a long-term basis.

We have approximately 58,200 annual sites with average annual revenue of approximately $4,400 per site. We have 7,200 seasonal sites, which are leased to customers generally for 3 to 6 months, for which we expect to collect rent in the range of $1,700 to $1,800. We also have 6,000 transient sites, occupied by customers who lease on a short-term basis, for which we expect to collect annual rent in the range of $2,000 to $2,100. We expect to service 60,000 customers with these sites. There is significant demand for these sites. However, we consider this revenue stream to be our most volatile. It is subject to weather conditions, gas prices, and other factors affecting the marginal RV customer's vacation and travel preferences. Finally, we have approximately 17,900 Thousand Trails sites for which we receive ground rent of $16 million annually. This rent is classified in Other Income in the Consolidated Statements of Operations. We have interests in Properties owning approximately 11,800 sites for which revenue is classified as Equity in Income from Unconsolidated Joint Ventures in the Consolidated Statements of Operations.

PROPERTY ACQUISITIONS, JOINT VENTURES AND DISPOSITIONS

The following chart lists the Properties or portfolios acquired, invested in, or sold since January 1, 2003:

PROPERTY	TRANSACTION DATE	SITES
TOTAL SITES AS OF JANUARY 1, 2003		52,349
PROPERTY OR PORTFOLIO (# OF PROPERTIES IN PARENTHESES):		
Toby's	December 3, 2003	379
Araby Acres	December 15, 2003	337
Foothill Village	December 15, 2003	180
O'Connell's	January 15, 2004	668
Spring Gulch	January 30, 2004	420
Paradise	February 3, 2004	950
Twin Lakes	February 18, 2004	400
Lakeside	February 19, 2004	95
Diversified Portfolio (10)	February 5, 2004	2,567
NHC Portfolio (28)	February 17, 2004	11,311
Viewpoint	May 3, 2004	1,928
Cactus Gardens	May 12, 2004	430
Monte Vista	May 13, 2004	832
GE Portfolio (5)	May 14, 2004	1,155
Yukon Trails	September 8, 2004	214
Caledonia	November 4, 2004	247
Thousand Trails (57)	November 10, 2004	17,911
Fremont	December 30, 2004	325
JOINT VENTURES:		
Lake Myers	December 18, 2003	425
Pine Haven	January 21, 2004	625
Twin Mills	January 27, 2004	501
Indian Wells	February 17, 2004	350
Plymouth Rock	February 10, 2004	609
Mesa Verde	May 18, 2004	345
Winter Garden	May 18, 2004	350
Arrowhead	August 20, 2004	377
Sun Valley	September 10, 2004	265
Appalachian	October 26, 2004	357
Robin Hill	November 5, 2004	270
Round Top	December 22, 2004	319
MEZZANINE INVESTMENTS (11)	February 3, 2004	5,054
DISPOSITIONS:		
Independence Hill	June 6, 2003	(203)
Brook Gardens	June 6, 2003	(424)
Pheasant Ridge	June 30, 2003	(101)
Lake Placid	May 28, 2004	(408)
Manatee (Joint Venture)	September 1, 2004	(290)
EXPANSION SITE DEVELOPMENT AND OTHER:		
Sites added (reconfigured) in 2003		(35)
Sites added (reconfigured) in 2004		147
TOTAL SITES AS OF DECEMBER 31, 2004		101,231

RESTATEMENT OF FINANCIAL STATEMENTS

During 2004, the Company changed the way it accounted for costs incurred in pursuing certain rent control initiatives. As a result, the Company has restated its Consolidated Financial Statements for the years ended December 31, 2003, 2002 and 2001 to expense the costs of the initiatives in the year in which they were incurred because the previous method of accounting for the costs was determined to be incorrect. The Company had historically classified these costs, primarily legal, in other assets. To the extent the Company's efforts to effectively change the use and operations of the Properties were successful, the Company capitalized the costs to land improvements as an increase in the established value of the revised project and depreciated them over 30 years. To the extent these efforts were not successful, the costs would have been expensed.

See Note 2 to the Consolidated Financial Statements of this report for a summary of the effects of these changes on the Company's consolidated balance sheets as of December 31, 2003, 2002 and 2001 and consolidated statements of operations for the years ended December 31, 2003, 2002 and 2001. The accompanying Management's Discussion and Analysis gives effect to these corrections. The significance of the increase in expenses due to this change is not necessarily determinable in future periods and depend on future rulings of the United States Supreme Court.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), which require us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures. We believe that the following critical accounting policies, among others, affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

In accordance with the Statement of Financial Accounting Standards No. 141 ("SFAS No. 141"), we allocate the purchase price of Properties we acquire to net tangible and identified intangible assets acquired based on their fair values. In making estimates of fair values for purposes of allocating purchase price, we utilize a number of sources, including independent appraisals that may be available in connection with the acquisition or financing of the respective property and other market data. We also consider information obtained about each property as a result of our due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets acquired.

We periodically evaluate our long-lived assets, including our investments in real estate, for impairment indicators. Our judgments regarding the existence of impairment indicators are based on factors such as operational performance, market conditions and legal factors. Future events could occur which would cause us to conclude that impairment indicators exist and an impairment loss is warranted.

Real estate is recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. We use a 30-year estimated life for buildings acquired and structural and land improvements, a ten-to-fifteen-year estimated life for building upgrades and a three-to-seven-year estimated life for furniture, fixtures and equipment. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred and significant renovations and improvements that improve the asset and extend the useful life of the asset are capitalized over their estimated useful life. However, the useful lives, salvage value, and customary depreciation method used for land improvements and other significant assets may significantly and materially overstate the depreciation of the underlying assets and therefore understate the net income of the Company.

In December 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46R, Consolidation of Variable Interest Entities ("FIN 46R") - - an interpretation of ARB 51. The objective of FIN 46R is to provide guidance on how to identify a variable interest entity ("VIE") and determine when the assets, liabilities, non-controlling interests, and results of operations of a VIE need to be included in a company's consolidated financial statements. A company that holds variable interests in an entity will need to consolidate such entity if the company absorbs a majority of the entity's expected losses or receives a majority of the entity's expected residual returns if they occur, or both (i.e., the primary beneficiary). The Company will apply FIN 46R to all types of entity ownership (general and limited partnerships and corporate interests).

The Company will re-evaluate and apply the provisions of FIN 46R to existing entities if certain events occur which warrant re-evaluation of such entities. In addition, the Company will apply the provisions of FIN 46R to all new entities in the future. The Company also consolidates entities in which it has a controlling direct or indirect voting interest. The equity method of accounting is applied to entities in which the Company does not have a controlling direct or indirect voting interest, but can exercise influence over the entity with respect to its operations and major decisions. The cost method is applied when (i) the investment is minimal (typically less than 5%) and (ii) the Company's investment is passive.

In applying the provisions of FIN 46R, the Company determined that its $29.7 million investment in preferred equity interests (the "Mezzanine Investment") in six entities controlled by Diversified Investments, Inc. ("Diversified") (see Liquidity and Capital Resources - Investing Activities) is a VIE; however, the Company concluded that it is not the primary beneficiary. As such, the adoption of this pronouncement had no effect on the Company's financial statements.

The valuation of financial instruments under Statement of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments" ("SFAS No. 107") and Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133") requires us to make estimates and judgments that affect the fair value of the instruments. Where possible, we base the fair values of our financial instruments, including our derivative instruments, on listed market prices and third party quotes. Where these are not available, we base our estimates on other factors relevant to the financial instrument.

Prior to January 1, 2003 we accounted for our stock compensation in accordance with APB No. 25, "Accounting for Stock Issued to Employees", based upon the intrinsic value method. This method results in no compensation expense for options issued with an exercise price equal to or exceeding the market value of the common stock on the date of grant. Effective January 1, 2003, we elected to account for our stock-based compensation in accordance with SFAS No. 123 and its amendment ("SFAS No. 148"), "Accounting for Stock Based Compensation", which will result in compensation expense being recorded based on the fair value of the stock options and other equity awards issued. SFAS No. 148 provides three possible transition methods for changing to the fair value method. We have elected to use the modified-prospective method. This method requires that we recognize stock-based employee compensation cost from the beginning of the fiscal year in which the recognition provisions are first applied as if the fair value method had been used to account for all employee awards granted, or settled, in fiscal years beginning after December 15, 1994. The following table illustrates the effect on net income and earnings per share as if the fair value method was applied to all outstanding and unvested awards in each period presented (amounts in thousands, except per share data):

	2004	2003 (Restated)	2002 (Restated)
Net income available for Common Shares as reported	$ 4,026	$ 25,132	$ 31,887
Add: Stock-based compensation expense included in net income as reported	2,899	2,139	2,185
Deduct: Stock-based compensation expense determined under the fair value based method for all awards	(2,899)	(2,139)	(2,086)
Pro forma net income available for Common Shares	$ 4,026	$ 25,132	$ 31,986
Pro forma net income per Common Share - Basic	$ 0.18	$ 1.14	$ 1.48
Pro forma net income per Common Share - Fully Diluted	$ 0.17	$ 1.11	$ 1.44

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements with any unconsolidated investments or joint ventures that we believe have or are reasonably likely to have a material effect on our financial condition, results of operations, liquidity or capital resources.

RESULTS OF OPERATIONS

COMPARISON OF YEAR ENDED DECEMBER 31, 2004 TO YEAR ENDED DECEMBER 31, 2003

Since December 31, 2002, the gross investment in real estate increased from $1,296 million to $2,036 million as of December 31, 2004, due primarily to the aforementioned acquisitions and dispositions of Properties during the period. The total number of sites owned or controlled increased from 52,349 as of December 31, 2003 to 101,231 as of December 31, 2004.

The following table summarizes certain financial and statistical data for the Property Operations for the Core Portfolio (excludes RV and Resort Cottage sites, and Properties owned through unconsolidated joint ventures, as well as the sites of Properties acquired or sold during 2003 and 2004) and the Total Portfolio for the years ended December 31, 2004 and 2003.

	CORE PORTFOLIO				TOTAL PORTFOLIO			
(dollars in thousands)	2004	2003	INCREASE/ (DECREASE)	% CHANGE	2004	2003	INCREASE/ (DECREASE)	% CHANGE
Community base rental income.......	$ 196,537	$ 190,169	$ 6,368	3.3%	$ 204,190	$ 189,915	$ 14,275	7.5%
Resort base rental income..........	---	---	---	0.0%	54,841	11,779	43,062	365.6%
Utility and other income...........	18,932	18,550	382	2.1%	24,278	19,411	4,867	25.1%
Property operating revenues	215,469	208,719	6,750	3.2%	283,309	221,105	62,204	28.1%
Property operating and maintenance (1)...............	57,965	55,202	2,763	5.0%	92,121	61,945	30,176	48.7%
Real estate taxes..................	18,011	17,088	923	5.4%	22,723	18,011	4,712	26.2%
Property management................	8,974	8,866	108	1.2%	12,852	9,373	3,479	37.1%
Property operating expenses	84,950	81,156	3,794	4.7%	127,696	89,329	38,367	43.0%
Income from property operations	$ 130,519	$ 127,563	$ 2,956	2.3%	$ 155,613	$ 131,776	$ 23,837	18.1%
Site and Occupancy Information (2):								
Average total sites................	40,645	40,667	(22)	(0.1%)	42,087	40,667	1,420	3.5%
Average occupied sites.............	37,009	37,484	(475)	(1.3%)	38,422	37,484	938	2.5%
Average Occupancy %................	91.1%	92.2%	(1.1%)	(1.1%)	91.3%	92.2%	(0.9%)	(0.9%)
Monthly base rent per site.........	$ 442.55	$ 422.78	$ 19.77	4.7%	$ 442.87	$ 422.21	$ 20.65	4.9%
Total sites As of December 31,............	40,702	40,676	26	0.1%	42,655	40,676	1,979	4.9%
Total occupied sites As of December 31,............	36,847	37,163	(316)	(0.9%)	38,748	37,163	1,585	4.3%

(1) The effect of the 3rd quarter 2004, insurance reserve of approximately $1 million relating to the Florida storms has been removed from the Core Portfolio for comparative purposes.

(2) Site and occupancy information excludes all Resort Cottage and RV sites, Properties owned through unconsolidated joint ventures as well as the sites of Properties acquired or sold during 2003 and 2004.

PROPERTY OPERATING REVENUES

The 3.3% increase in Community base rental income for the Core Portfolio reflects a 4.7% increase in monthly base rent per site combined with a 1.1% decrease in average occupied sites. The increase in utility and other income for the Core Portfolio is due primarily to increases in utility income, which resulted from higher utility expenses. Total Portfolio operating revenues increased due to current year acquisitions (see Note 6 of the Notes to Consolidated Financial Statements contained in Item 8).

RESULTS OF OPERATIONS (CONTINUED)

PROPERTY OPERATING EXPENSES

The 5.0% increase in property operating and maintenance expense for the Core Portfolio is due primarily to increases in payroll expense, administrative expense, repair and maintenance expense. The 5.4% increase in Core Portfolio real estate taxes is generally due to higher property assessments on certain Properties. Property management expense for the Core Portfolio, which reflects costs of managing the Properties and is estimated based on a percentage of Property operating revenues, increased by 1.2% due to increases in payroll costs and computer expenses, but remains at approximately 4% of revenue. Total Portfolio operating expenses increased due to our current year acquisitions.

HOME SALES OPERATIONS

The following table summarizes certain financial and statistical data for the Home Sales Operations for the years ended December 31, 2004 and 2003.

	HOME SALES OPERATIONS			
(dollars in thousands)	2004	2003	VARIANCE	% CHANGE
Gross revenues from new home sales	$ 43,324	$ 33,512	$ 9,812	29.3%
Cost of new home sales	(38,067)	(29,064)	(9,003)	31.0%
Gross profit from new home sales	5,257	4,448	809	18.2%
Gross revenues from used home sales	4,080	2,960	1,120	37.8%
Cost of used home sales	(3,510)	(2,551)	(959)	37.6%
Gross profit from used home sales	570	409	161	39.4%
Brokered resale revenues, net	2,176	1,714	462	27.0%
Home selling expenses	(8,630)	(7,287)	(1,343)	18.4%
Ancillary services revenues, net	2,743	162	2,581	1,593.2%
Income from home sales operations	$ 2,116	$ (554)	$ 2,670	-481.9%
HOME SALES VOLUMES:				
New home sales	514	458	56	12.2%
Used home sales	341	176	165	93.8%
Brokered home resales	1,415	1,093	322	29.5%

New home sales gross profit reflects a 12.2% increase in sales volume combined with an increase in average selling price of approximately $11,000 per home or approximately 15% due to higher quality of homes. Used home sales gross profit reflects an increase in gross margin on used home sales and an increase in volume. Brokered resale revenues reflects increased resale volumes. The 18.4% increase in home selling expenses primarily reflects increases in insurance cost and other expenses. The increase in ancillary service revenue relates primarily to income from property amenities at our newly acquired Properties.

OTHER INCOME AND EXPENSES

The increase in other expenses reflects an increase in interest expense resulting from the Recap borrowing in October 2003 (see Note 10 of the Notes to Consolidated Financial Statements contained in this Form 10-K) and additional debt assumed in the 2004 acquisitions, an increase in depreciation on real estate assets related to the 2004 acquisitions, and increased general and administrative expense due to increased payroll. This is partially offset by income from other investments that includes $2.3 million of lease income from the Thousand Trails ground lease entered into on November 10, 2004.

RESULTS OF OPERATIONS (CONTINUED)

EQUITY IN INCOME OF UNCONSOLIDATED JOINT VENTURES

During 2004, we invested in preferred equity interests, the Mezzanine Investment, in six entities containing 11 Properties and 5,054 sites. Our average return on the Mezzanine Investment accrues at a rate of 10% per annum. We also invested in 11 separate joint ventures (see Liquidity and Capital Resources - Investing Activities). These investments contributed to the increase in equity in income from unconsolidated joint ventures.

COMPARISON OF YEAR ENDED DECEMBER 31, 2003 TO YEAR ENDED DECEMBER 31, 2002

Since December 31, 2001, the gross investment in real estate increased from $1,238 million to $1,310 million as of December 31, 2003, due primarily to the aforementioned acquisitions and dispositions of Properties during the period. The total number of sites owned or controlled increased from 50,663 as of December 31, 2001 to 51,715 as of December 31, 2003.

The following table summarizes certain financial and statistical data for the Property Operations for the Core Portfolio and the Total Portfolio for the years ended December 31, 2003 and 2002.

	CORE PORTFOLIO				TOTAL PORTFOLIO			
(dollars in thousands)	2003	2002	INCREASE/ (DECREASE)	% CHANGE	2003	2002	INCREASE/ (DECREASE)	% CHANGE
Community base rental income.......	$ 184,651	$ 178,532	$ 6,119	3.4%	$ 189,915	$ 187,406	$ 2,509	1.3%
Resort base rental income..........	255	151	104	68.9%	11,779	9,143	2,636	28.8%
Utility and other income...........	18,025	17,707	318	1.8%	19,411	18,933	478	2.5%
Property operating revenues	202,931	196,390	6,541	3.3%	221,105	215,482	5,623	2.6%
Property operating and maintenance...................	53,484	51,506	1,978	3.8%	61,945	59,839	2,106	3.5%
Real estate taxes..................	16,372	15,430	942	6.1%	18,011	16,919	1,092	6.5%
Property management................	8,629	8,498	131	1.5%	9,373	9,292	81	0.9%
Property operating expenses	78,485	75,434	3,051	4.0%	89,329	86,050	3,279	3.8%
Income from property operations	$ 124,446	$ 120,956	$ 3,490	2.9%	$ 131,776	$ 129,432	$ 2,344	1.8%
Site and Occupancy Information (1):								
Average total sites................	39,103	39,111	(8)	0.0%	40,667	41,160	(493)	(1.2%)
Average occupied sites.............	36,014	36,575	(561)	(1.5%)	37,484	38,448	(964)	(2.5%)
Occupancy %........................	92.1%	93.5%	(1.4%)	(1.4%)	92.2%	93.4%	(1.2%)	(1.2%)
Monthly base rent per site.........	$ 427.27	$ 406.77	$ 20.50	5.0%	$ 422.21	$ 406.19	$ 16.03	3.9%
Total sites As of December 31,............	39,113	39,123	(10)	0.0%	40,676	40,711	(35)	(0.1%)
Total occupied sites As of December 31,............	35,696	36,401	(705)	(1.9%)	37,163	37,791	(628)	(1.7%)

(1) Site and occupancy information excludes Resort Cottage and RV sites, Properties owned through unconsolidated joint ventures and the sites of Properties acquired or sold during 2002 and 2003.

PROPERTY OPERATING REVENUES

The 3.4% increase in Community base rental income for the Core Portfolio reflects a 5.0% increase in monthly base rent per site combined with a 1.5% decrease in average occupied sites. The increase in utility and other income for the Core Portfolio is due primarily to increases in utility income, which resulted from higher expenses for these items.

RESULTS OF OPERATIONS (CONTINUED)

PROPERTY OPERATING EXPENSES

The 3.8% increase in property operating and maintenance expense for the Core Portfolio is due primarily to increases in insurance and other expenses, utility expense, and repair and maintenance expense, administrative expenses and payroll expense. The 6.1% increase in Core Portfolio real estate taxes is generally due to higher property assessments on certain Properties. Property management expense for the Core Portfolio, which reflects costs of managing the Properties and is estimated based on a percentage of Property operating revenues, increased by 1.5% due to increases in payroll costs and computer expenses.

HOME SALES OPERATIONS

The following table summarizes certain financial and statistical data for the Home Sales Operations for the years ended December 31, 2003 and 2002.

	HOME SALES OPERATIONS			
(dollars in thousands)	2003	2002	INCREASE / (DECREASE)	% CHANGE
Gross revenues from new home sales	$ 33,512	$ 30,568	$ 2,944	9.6%
Cost of new home sales	(29,064)	(24,646)	(4,418)	17.9%
Gross profit from new home sales	4,448	5,922	(1,474)	(24.9%)
Gross revenues from used home sales	2,960	2,694	266	9.9%
Cost of used home sales	(2,551)	(2,276)	(275)	12.1%
Gross profit from used home sales	409	418	(9)	(2.2%)
Brokered resale revenues, net	1,714	1,558	156	10.0%
Home selling expenses	(7,287)	(7,570)	283	(3.7%)
Ancillary services revenues, net	162	448	(286)	(63.8%)
Income from home sales operations	$ (554)	$ 776	$ (1,330)	(171.4%)
HOME SALES VOLUMES:				
New home sales	458	419	39	9.3%
Used home sales	176	161	15	9.3%
Brokered home resales	1,093	961	132	13.7%

New home sales gross profit reflects a 9.3% increase in sales volume combined with a 6.1% decrease in the gross margin. The average selling price of new homes remained steady year over year. Used home sales gross profit reflects a decrease in gross margin on used home sales, partially offset by an increase in volume. Brokered resale revenues reflect increased resale volumes. The 3.7% decrease in home selling expenses primarily reflects reductions in advertising expenses.

OTHER INCOME AND EXPENSES

In October 2003, we received approximately $501 million from the Recap. The cash received from the Recap was used to pay down our Line of Credit and pay off our Term Loan, with the remainder placed in short-term investments to be used for payment of a special distribution in January 2004 and for future acquisitions. As a result, interest income increased reflecting additional interest earned on short-term investments with an average balance of $273 million. The decrease in general and administrative expense is due to decreased professional fees and public company costs, partially offset by increased payroll costs and banking expenses. Rent control initiatives decreased by $3.4 million due to lower costs relating to the DeAnza Santa Cruz and Contempo Marin Properties. Interest and related amortization increased due to the Recap and the payment of approximately $3 million to unwind the 2001 Swap (hereinafter defined), partially offset by decreased interest rates during the period. The weighted average outstanding debt balances for the years ended December 31, 2003 and 2002 were approximately $800 million and $731.8 million, respectively. The effective interest rate was 6.4% and 6.8% per annum for the years ended December 31, 2003 and 2002, respectively.

RESULTS OF OPERATIONS (CONTINUED)

The increase in income from other investments was due to the restructuring of the Company's investment in Wolverine Property Investment Limited Partnership (the "College Heights Joint Venture" or the "Venture"), a joint venture with Wolverine Investors, LLP, effective September 1, 2002. The Venture included 18 Properties with 3,581 sites. The results of operations of the College Heights Joint Venture prior to restructuring were included with the results of the Company due to the Company's voting equity interest and control over the Venture. Pursuant to the restructuring, the Company sold its general partnership interest, sold all of the Company's voting equity interest and reduced the Company's total investment in the College Heights Joint Venture. As consideration for the sale, the Company retained sole ownership of Down Yonder, a 361 site Property in Clearwater, Florida, received cash of approximately $5.2 million and retained preferred limited partnership interests of approximately $10.3 million, recorded net of a $2.4 million reserve included in other assets. Income of approximately $1.0 million and $0.2 million has been recorded in income from other investments for the years ended December 31, 2003 and 2002 respectively.

LIQUIDITY AND CAPITAL RESOURCES

INFLATION

Substantially all of the leases at the Properties allow for monthly or annual rent increases which provide us with the opportunity to achieve increases, where justified by the market, as each lease matures. Such types of leases generally minimize the risks of inflation to the Company.

LIQUIDITY

As of December 31, 2004, the Company had $5.3 million in cash and cash equivalents and $44.2 million available on its line of credit. The Company expects to meet its short-term liquidity requirements, including its distributions, generally through its working capital, net cash provided by operating activities and availability under the existing line of credit. The Company expects to meet certain long-term liquidity requirements such as scheduled debt maturities, property acquisitions and capital improvements by long-term collateralized and uncollateralized borrowings including borrowings under its existing line of credit and the issuance of debt securities or additional equity securities in the Company, in addition to net cash provided by operating activities. The table below summarizes cash flow activity for the twelve months ended December 31, 2004, 2003 and 2002 (dollars in thousands).

	FOR THE TWELVE MONTHS ENDED DECEMBER 31,		
	2004	2003 (Restated)	2002 (Restated)
Cash provided by operating activities	$ 46,733	$ 75,163	$ 80,176
Cash (used in) provided by investing activities	(366,654)	(598)	(72,973)
Cash (used in) provided by financing activities	(514)	243,905	(1,287)
Net (decrease) increase in cash	$ (320,435)	$ 318,470	$ 5,916

OPERATING ACTIVITIES

Net cash provided by operating activities decreased $28.5 million for the year ended December 31, 2004. This decrease reflects increased interest expense as a result of the Recap in October, 2003 and increases in working capital, partially offset by increases in property operating income as discussed in "Results of Operations" above. Net cash provided by operating activities decreased $5 million for the year ended December 31, 2003 from $80.2 million in 2002. This was primarily due to an increase in working capital.

INVESTING ACTIVITIES

Net cash used in investing activities reflects the impact of the following investing activities:

ACQUISITIONS

During the year ended December 31, 2004, we acquired 111 Properties (see Note 6 of the Notes to Consolidated Financial Statements contained in this Form 10-K). The combined investment in real estate for these 111 Properties was approximately $703 million and was funded with monies held in short-term investments, debt assumed of $352 million which includes a mark-to-market adjustment of $10.4 million, new financing of $124 million, and borrowings from our Line of Credit. Included in the above as previously described are 57 Properties purchased as part of the Thousand Trails Transaction; the income related to this transaction is classified as income from other investments on the Consolidated Statements of Operations.

We assumed inventory of approximately $1.2 million, other assets of $4.9 million, rents received in advance of approximately $13.6 million and other liabilities of approximately $5.8 million in connection with the 2004 acquisitions. The Company also issued common OP units for value of approximately $32.2 million.

During 2003, we acquired three Properties at a purchase price of $11.8 million. The acquisitions were funded with monies held in short-term investments and debt assumed of $4.6 million. The acquisitions included the assumption of liabilities of approximately $0.7 million. Also during 2003, we acquired a parcel of land adjacent to one of our Properties for approximately $0.1 million.

During 2002, we acquired eleven Properties at a purchase price of $101.6 million. The acquisitions were funded with borrowings on our Line of Credit and the assumption of $47.9 million of mortgage debt, which includes a $3.0 million mark-to-market adjustment. In addition, we purchased adjacent land and land improvements for several Properties for approximately $0.6 million.

DISPOSITIONS

During the year ended December 31, 2004, we sold one Property located in Lake Placid, Florida for a selling price of $3.4 million, with net proceeds of $0.8 million received in July 2004. No gain or loss on disposition was recognized in the period. The operating results have been reflected in discontinued operations. In addition, we sold approximately 1.4 acres of land in Montana for a gain and net proceeds of $0.6 million.

During 2003, we sold three Properties for proceeds of $27.1 million and a gain of $10.8 million. Proceeds from the sales were used to repay amounts on our Line of Credit.

During 2002, we effectively sold 17 Properties as part of a restructuring of the College Heights Venture (hereinafter defined). In addition, we sold Camelot Acres, a 319 site Property in Burnsville, Minnesota, for approximately $14.2 million.

INVESTMENTS IN AND ADVANCES TO JOINT VENTURES

On February 3, 2004, the Company invested approximately $29.7 million in preferred equity interests (the "Mezzanine Investment") in six entities controlled by Diversified Investments, Inc. ("Diversified"). These entities own in the aggregate 11 Properties, containing 5,054 sites. Approximately $11.7 million of the Mezzanine Investment accrues at a per annum average rate of 10%, with a minimum pay rate of 6.5%, payable quarterly, and approximately $17.9 million of the Mezzanine Investment accrues at a per annum average rate of 11%, with a minimum pay rate of 7%, payable quarterly. To the extent the minimum pay rates on the respective Mezzanine Investments are not achieved, the accrual rates increase to 12% and 13% per annum, respectively. The Company can acquire these Properties in the future at capitalization rates of between 8% and 8.5%, beginning in 2006. In addition, the Company has invested approximately $1.4 million in the Diversified entities managing these 11 Properties, which is included in prepaid expenses and other assets on the Company's Consolidated Balance Sheet as of December 31, 2004.

During the year ended December 31, 2004, the Company invested approximately $4.1 million in 11 joint ventures. The Company can acquire these Properties in the future at capitalization rates of between 8% and 8.5%, beginning in 2006.

INVESTING ACTIVITIES (CONTINUED)

In addition, the Company recorded approximately $3.7 million, $0.3 million and $0.2 million of net income from joint ventures (net of depreciation) in the years ended December 31, 2004, 2003 and 2002 respectively, and received approximately $5.2 million, $0.8 million and $0.6 million in distributions from such joint ventures for the year ended December 31, 2004, 2003 and 2002 respectively. Included in such distributions for the year ended December 31, 2004 is $2.5 million return of capital, of which $0.5 million exceeded the Company's basis and thus was recorded in income from unconsolidated joint ventures and other.

OTHER INVESTMENTS

Effective September 1, 2002, the Company restructured its investment in the College Heights Joint Venture. The Venture included 18 Properties with 3,581 sites. The results of operations of the College Heights Joint Venture prior to restructuring were included with the results of the Company due to the Company's voting equity interest and control over the Venture. Pursuant to the restructuring, the Company sold its general partnership interest, sold all of the Company's voting equity interest and reduced the Company's total investment in the College Heights Joint Venture. As consideration for the sale, the Company retained sole ownership of Down Yonder, a 361 site Property in Clearwater, Florida, received cash of approximately $5.2 million and retained preferred limited partnership interests of approximately $10.3 million, recorded net of a $2.4 million reserve included in other assets. Income of approximately $0.9 million, $1.0 million and $0.2 million has been recorded in income from other investments for the years ended December 31, 2004, 2003 and 2002 respectively.

CAPITAL IMPROVEMENTS

Capital expenditures for improvements are identified by the Company as recurring capital expenditures ("Recurring CapEx"), site development costs and corporate costs. Recurring CapEx was approximately $13.7 million, $11.9 million and $13.4 million for the years ended December 31, 2004, 2003 and 2002 respectively. Site development costs were approximately $13.0 million, $9.0 million and $10.4 million for the years ended December 31, 2004, 2003 and 2002 respectively, and represent costs to develop expansion sites at certain of the Company's Properties and costs for improvements to sites when a smaller used home is replaced with a larger new home. Corporate costs such as computer hardware, office furniture and office improvements were $0.4 million, $0.1 million and $0.7 million for the years ended December 31, 2004, 2003 and 2002 respectively.

FINANCING ACTIVITIES

Net cash used in financing activities reflects the impact of the following:

EQUITY TRANSACTIONS

In order to qualify as a REIT for federal income tax purposes, the Company must distribute 90% or more of its taxable income (excluding capital gains) to its stockholders. The following distributions have been declared and paid to common stockholders and minority interests since January 1, 2002.

DISTRIBUTION AMOUNT PER SHARE	FOR THE QUARTER ENDING	STOCKHOLDER RECORD DATE	PAYMENT DATE
$0.4750	March 31, 2002	March 29, 2002	April 12, 2002
$0.4750	June 30, 2002	June 28, 2002	July 12, 2002
$0.4750	September 30, 2002	September 27, 2002	October 11, 2002
$0.4750	December 31, 2002	December 27, 2002	January 10, 2003
$0.4950	March 31, 2003	March 28, 2003	April 11, 2003
$0.4950	June 30, 2003	June 27, 2003	July 11, 2003
$0.4950	September 30, 2003	September 26, 2003	October 10, 2003
$8.00	December 31, 2003	January 8, 2004	January 16, 2004
$0.0125	March 31, 2004	March 26, 2004	April 9, 2004
$0.0125	June 30, 2004	June 25, 2004	July 9, 2004
$0.0125	September 30, 2004	September 24, 2004	October 8, 2004
$0.0125	December 31, 2004	December 31, 2004	January 14, 2005

FINANCING ACTIVITIES (CONTINUED)

On December 12, 2003, we declared a one-time special distribution of $8.00 per share payable to stockholders of record on January 8, 2004. We used proceeds from the $501 million Recap in October 2003 to pay the special distribution on January 16, 2004. The special cash dividend is reflected on stockholders' 2004 1099-DIV issued in January 2005.

In connection with the $501 million Recap and subsequent special distribution, on February 27, 2004, the Company contributed all of its assets to MHC Trust, a newly formed Maryland real estate investment trust, including the Company's entire partnership interest in the Operating Partnership. The Company determined that a taxable transaction in connection with the special distribution to stockholders would be in the Company's best interests. This was accomplished by the contribution of the Company's interest in the Operating Partnership to MHC Trust in exchange for all the common and preferred stock of MHC Trust. Due to the Company's tax basis in its interest in the Operating Partnership, the Company recognized $180 million of taxable income as a result of its contribution, as opposed to a nontaxable reduction of the Company's tax basis in its interest in the Operating Partnership. This restructuring resulted in a step-up in the Company's tax basis in its assets, generating future depreciation deductions, which in turn will reduce the Company's future distribution requirements. This provides the Company with greater financial flexibility and greater growth potential. The Company intends to continue to qualify as a REIT under the Code, with its assets consisting of interests in MHC Trust. MHC Trust, in turn, also intends to qualify as a real estate investment trust under the Code and will continue to be the general partner of the Operating Partnership. On May 1, 2004, in connection with the restructuring, MHC Trust sold cumulative preferred stock to a limited number of unaffiliated investors.

During the twelve months ended December 31, 2004, in connection with 2004 acquisitions the Company issued 1.2 million common OP Units valued at $36.7 million of which approximately $28.7 million has been classified as paid-in capital. On December 21, 2004 we redeemed 126,765 common OP Units for approximately $4.5 million of which approximately $3.5 million has been classified as paid-in capital.

The Operating Partnership paid distributions of 9.0% per annum on the $125 million of Series D Cumulative Redeemable Perpetual Preferred Units ("Preferred Units"). Distributions on the Preferred Units were paid quarterly on the last calendar day of each quarter beginning September 30, 1999. The Company expects to continue to make regular quarterly distributions and has set its 2005 distribution to common stockholders at $0.10 per share per annum.

MORTGAGES AND CREDIT FACILITIES

We have two unsecured lines of credit of $110 million and $50 million which bear interest at a per annum rate of London Interbank Offered Rate ("LIBOR") plus 1.65%. Throughout the year ended December 31, 2004, the Company borrowed $135.8 million and paid down $20 million on its line of credit. On November 10, 2004, in connection with the Thousand Trails Transaction, we secured a $120 million three-year term loan at LIBOR plus 1.75%. In December 2004, we fixed $180 million of this variable debt for one year with a weighted average per annum interest rate of 4.7%.

During the twelve months ended December 31, 2004, the Company assumed mortgage and other debt of approximately $157 million, which was recorded at fair market value with the related premium being amortized over the life of the loan using the effective interest rate. The Company borrowed an additional $194 million of mortgage debt for other acquisitions. The mortgages bear interest at weighted average rates ranging from 5.14% to 5.81% per annum, and mature at various dates through November 1, 2027.

In 2003, the Company initiated the Recap as a result of its belief in the stability of its cash flow from property operations and the attractive financing terms available to borrowers such as the Company in the secured debt markets. In conducting its evaluation of the use of proceeds from the Recap, the Company's Board of Directors believed that to the extent no attractive alternative use was available, a distribution to stockholders should occur. In late 2003, the Company identified acquisition targets which would use approximately $100 million of the $325 million in net proceeds resulting from the Recap. In December 2003, the Company's Board of Directors declared a distribution of approximately $225 million ($8 per share). During 2004, the Company identified additional acquisitions and has funded such acquisitions primarily with secured and unsecured borrowings.

FINANCING ACTIVITIES (CONTINUED)

The Recap and subsequent borrowings in connection with acquisitions have significantly increased the Company's outstanding debt. The interest and principal payments required under these debt agreements materially increase the Company's future contractual payment obligations. As of December 31, 2004, the outstanding debt balance was $1,653 million. In future years, the Company expects to pay annual interest and principal amortization under current obligations of approximately $114 million (not including the impact of scheduled maturities) compared to $57 million in 2003. In light of these increased cash flow requirements, the Company has reduced its annual dividend to common stockholders from approximately $44 million in 2003 to approximately $1 million in 2004. In addition, the Company expects its cash from operations to increase significantly in 2005 compared to 2003 due to the cash generated by newly-acquired Properties. To the extent cash flow from the Properties does not meet the Company's expectations, the Company's Board of Directors increases the annual dividend significantly, or the Company is required to make significant unexpected capital improvements or other payments, the Company's financial flexibility and ability to meet scheduled obligations could be negatively impacted. With respect to maturing debt, the Company has staggered the maturities of our long-term mortgage debt over an average of approximately 6 years, with no more than $330 million in principal maturities coming due in any single year. The Company believes that it will be able to refinance its maturing debt obligations on a secured or unsecured basis; however, to the extent the Company is unable to refinance its debt as it matures, it believes that it will be able to repay such maturing debt from asset sales and/or the proceeds from equity issuances. With respect to any refinancing of maturing debt, the Company's future cash flow requirements could be impacted by significant changes in interest rates or other debt terms, including required amortization payments.

In October 2003, we unwound an interest rate swap ("2001 Swap") agreement at a cost of approximately $3 million, which is included in interest and related amortization in 2003 in the accompanying Consolidated Statements of Operations. The 2001 swap effectively fixed LIBOR on $100 million of our floating rate debt at approximately 3.7% per annum for the period October 2001 through August 2004. The terms of the 2001 Swap required monthly settlements on the same dates interest payments were due on the debt. In accordance with SFAS No. 133, the 2001 Swap was reflected at market value.

On April 17, 2003, we entered into an agreement to refinance and increase the "Bay Indies Mortgage", a $44.5 million note, from approximately $21.9 million to $45 million. Under the new agreement, the Bay Indies Mortgage bears interest at 5.69% per annum, amortizes over 25 years and matures April 17, 2013. The net proceeds were used to pay down the Company's Line of Credit in April 2003. Also during the year ended December 31, 2003, mortgage notes payable on four other Properties were repaid totaling approximately $23.5 million using proceeds from borrowings on the Company's Line of Credit.

During the year ended December 31, 2002, as part of the purchase of RSI, in a non-cash transaction, we assumed a $12.5 million note payable ("Conseco Financing Note"), collateralized by our home inventory. The Conseco Financing Note was repaid at a discount during 2002 using proceeds from our Line of Credit. In addition, we repaid a maturing mortgage note in the amount of $1.1 million and $2.1 million of other unsecured notes payable using proceeds from our Line of Credit.

Certain of the Company's mortgage and credit agreements contain covenants and restrictions including restrictions as to the ratio of secured or unsecured debt versus encumbered or unencumbered assets, the ratio of fixed charges-to-earnings before interest, taxes, depreciation and amortization ("EBITDA"), limitations on certain holdings and other restrictions.

FINANCING ACTIVITIES (CONTINUED)

As of December 31, 2004, we were subject to certain contractual payment obligations as described in the table below (dollars in thousands):

CONTRACTUAL OBLIGATIONS	TOTAL	2005	2006(2)	2007(3)	2008	2009	THEREAFTER
Long Term Borrowings (1)	$1,643,672	$18,742	$169,770	$432,350	$203,903	$70,558	$ 748,349
Weighted average interest rates.......	6.10%	-	4.36%	6.43%	5.55%	6.58%	6.20%

(1) Balance excludes net premiums and discounts of $9.4 million.

(2) Includes Line of Credit repayment in 2006 of $115,800. We have an option to extend this maturity for one year to 2007.

(3) Includes a Term Loan repayment in 2007 of $105,600. We have an option to extend this maturity for two successive years to 2009.

Included in the above table are certain capital lease obligations totaling approximately $7.0 million. These agreements expire June 2009 and are paid semi-annually.

In addition, the Company leases land under non-cancelable operating leases at certain of the Properties expiring in various years from 2022 to 2032 with terms which include minimum rent to be paid throughout the year plus additional rents calculated as a percentage of gross revenues. For the twelve months ended December 31, 2004 and 2003, ground lease expense was approximately $1.6 million and $1.6 million respectively. Minimum future rental payments under the ground leases are approximately $1.6 million for each of the next five years and approximately $23.5 million thereafter.

FUNDS FROM OPERATIONS

Funds from Operations ("FFO") is a non-GAAP financial measure. We believe FFO, as defined by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), to be an appropriate measure of performance for an equity REIT. While FFO is a relevant and widely used measure of operating performance for equity REITs, it does not represent cash flow from operations or net income as defined by GAAP, and it should not be considered as an alternative to these indicators in evaluating liquidity or operating performance.

FFO is defined as net income, computed in accordance with GAAP, excluding gains or losses from sales of Properties, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. We believe that FFO is helpful to investors as one of several measures of the performance of an equity REIT. We further believe that by excluding the effect of depreciation, amortization and gains or losses from sales of real estate, all of which are based on historical costs and which may be of limited relevance in evaluating current performance, FFO can facilitate comparisons of operating performance between periods and among other equity REITs. Investors should review FFO, along with GAAP net income and cash flow from operating activities, investing activities and financing activities, when evaluating an equity REIT's operating performance. We compute FFO in accordance with standards established by NAREIT, which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do. FFO does not represent cash generated from operating activities in accordance with GAAP, nor does it represent cash available to pay distributions and should not be considered as an alternative to net income, determined in accordance with GAAP, as an indication of our financial performance, or to cash flow from operating activities, determined in accordance with GAAP, as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make cash distributions.

FINANCING ACTIVITIES (CONTINUED)

The following table presents a calculation of FFO for the years ended December 31, 2004, 2003 and 2002 (amounts in thousands):

	2004	2003	2002
		(Restated)	(Restated)
COMPUTATION OF FUNDS FROM OPERATIONS:			
Net income available for Common Shares	$ 4,026	$ 25,132	$ 31,887
Income allocated to Common OP Units	936	6,004	7,786
Depreciation on real estate assets and other costs	47,541	35,924	33,160
Depreciation expense included in discontinued operations	1,353	1,476	2,150
Depreciation expense included in equity in income from joint ventures	1,230	769	726
Gain on sale of Properties and other	(638)	(10,826)	(13,014)
Funds from operations available for Common Shares	$ 54,448	$ 58,479	$ 62,695
Weighted average Common Shares outstanding - fully diluted	29,465	28,002	27,632

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Equity Lifestyle Properties, Inc.

We have audited the accompanying consolidated balance sheets of Equity Lifestyle Properties, Inc. ("Equity Lifestyle Properties", formerly known as Manufactured Home Communities, Inc.) as of December 31, 2004 and 2003, and the related consolidated statements of operations, other comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2004. Our audits also included the financial statement schedules listed in the Index. These financial statements and the schedules are the responsibility of Equity Lifestyle Properties' management. Our responsibility is to express an opinion on these financial statements and the schedules based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Equity Lifestyle Properties at December 31, 2004 and 2003, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company has restated its financial statements as of December 31, 2003 and for each of the two years in the period then ended relating to expense recognition for certain legal costs.

As discussed in Note 3 to the consolidated financial statements, in 2003 Equity Lifestyle Properties changed its method of accounting for stock-based employee compensation.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Equity Lifestyle Properties, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 24, 2005 (not included herein) expressed an unqualified opinion on management's assessment of the effectiveness of internal control over financial reporting and an adverse opinion on the effectiveness of internal control over financial reporting.

ERNST & YOUNG LLP
Chicago, Illinois
March 24, 2005
except for Notes 4 and 6
as to which the date is June 7, 2005

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2004 AND 2003
(AMOUNTS IN THOUSANDS)

	DECEMBER 31, 2004	DECEMBER 31, 2003 (Restated)
ASSETS		
Investment in real estate:		
Land	$ 470,587	$ 282,803
Land improvements	1,438,923	905,785
Buildings and other depreciable property	126,280	121,117
	2,035,790	1,309,705
Accumulated depreciation	(322,867)	(272,497)
Net investment in real estate	1,712,923	1,037,208
Cash and cash equivalents	5,305	325,740
Notes receivable	13,290	11,551
Investment in joint ventures	43,583	10,770
Rents receivable, net	1,469	2,385
Deferred financing costs, net	16,162	14,164
Inventory	50,654	31,604
Prepaid expenses and other assets	42,903	30,085
TOTAL ASSETS	$ 1,886,289	$ 1,463,507
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	$ 1,417,251	$ 1,076,183
Unsecured line of credit	115,800	--
Unsecured term loan	120,000	--
Accounts payable and accrued expenses	36,146	27,928
Accrued interest payable	8,894	5,978
Rents received in advance and security deposits	21,135	6,616
Distributions payable	448	224,696
TOTAL LIABILITIES	1,719,674	1,341,401
Commitments and contingencies		
Minority interest - Common OP Units and other	9,771	(366)
Minority interest - Perpetual Preferred OP Units	125,000	125,000
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value 10,000,000 shares authorized; none issued	--	--
Common stock, $.01 par value 50,000,000 shares authorized; 22,937,192 and 22,563,348 shares issued and outstanding for 2004 and 2003, respectively	224	222
Paid-in capital	294,304	263,066
Deferred compensation	(166)	(494)
Distributions in excess of accumulated earnings	(262,518)	(265,322)
Total stockholders' equity (deficit)	31,844	(2,528)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,886,289	$ 1,463,507

The accompanying notes are an integral part of the financial statements.

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	2004	2003 (Restated)	2002 (Restated)
PROPERTY OPERATIONS:			
Community base rental income	$ 204,190	$ 189,915	$ 187,406
Resort base rental income	54,841	11,779	9,143
Utility and other income	24,278	19,411	18,933
Property operating revenues	283,309	221,105	215,482
Property operating and maintenance	92,121	61,945	59,839
Real estate taxes	22,723	18,011	16,919
Property management	12,852	9,373	9,292
Property operating expenses (exclusive of depreciation shown separately below)	127,696	89,329	86,050
Income from property operations	155,613	131,776	129,432
HOME SALES OPERATIONS:			
Gross revenues from inventory home sales	47,404	36,472	33,262
Cost of inventory home sales	(41,577)	(31,615)	(26,922)
Gross profit from inventory home sales	5,827	4,857	6,340
Brokered resale revenues, net	2,176	1,714	1,558
Home selling expenses	(8,630)	(7,287)	(7,570)
Ancillary services revenues, net	2,743	162	448
Income (loss) from home sales operations & other	2,116	(554)	776
OTHER INCOME (EXPENSES):			
Interest income	1,391	1,695	967
Income from other investments	3,475	956	316
General and administrative	(9,243)	(8,060)	(8,192)
Rent control initiatives	(2,412)	(2,352)	(5,698)
Interest and related amortization	(90,970)	(58,206)	(50,725)
Depreciation on corporate assets	(1,657)	(1,240)	(1,277)
Depreciation on real estate assets and other costs	(47,541)	(35,924)	(33,160)
Total other income (expenses)	(146,957)	(103,131)	(97,769)
Income before minority interests, equity in income of unconsolidated joint ventures, gain on sale of properties and other and discontinued operations	10,772	28,091	32,439
Income allocated to Common OP Units	(608)	(3,431)	(4,230)
Income allocated to Perpetual Preferred OP Units	(11,284)	(11,252)	(11,252)
Equity in income of unconsolidated joint ventures	3,739	340	235
Income before gain on sale of properties and other and discontinued operations	2,619	13,748	17,192
Gain on sale of properties and other	2	--	--
Income from continuing operations	2,621	13,748	17,192
DISCONTINUED OPERATIONS:			
Discontinued operations	2,450	4,607	7,387
Depreciation on discontinued operations	(1,353)	(1,476)	(2,150)
Gain on sale of properties and other	636	10,826	13,014
Minority interests on discontinued operations	(328)	(2,573)	(3,556)
Income from discontinued operations	1,405	11,384	14,695
NET INCOME AVAILABLE FOR COMMON SHARES	$ 4,026	$ 25,132	$ 31,887

The accompanying notes are an integral part of the financial statements

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	2004	2003 (Restated)	2002 (Restated)
EARNINGS PER COMMON SHARE - BASIC:			
Income from continuing operations	$ 0.12	$ 0.62	$ 0.80
Income from discontinued operations	$ 0.06	$ 0.52	$ 0.68
Net income available for Common Shares	$ 0.18	$ 1.14	$ 1.48
EARNINGS PER COMMON SHARE - FULLY DILUTED:			
Income from continuing operations	$ 0.11	$ 0.61	$ 0.78
Income from discontinued operations	$ 0.06	$ 0.50	$ 0.66
Net income available for Common Shares	$ 0.17	$ 1.11	$ 1.44
Distributions declared per Common Share outstanding	$ 0.05	$ 9.485	$ 1.90
Tax status of Common Shares distributions paid during the year:			
Ordinary income	$ 1.05	$ 0.68	$ 1.50
Long-term capital gain	$ 4.82	$ 0.57	$ --
Unrecaptured section 1250 gain	$ 2.17	$ 0.16	$ --
Return of capital	$ --	$ 0.55	$ 0.37
Weighted average Common Shares outstanding - basic	22,849	22,077	21,617
Weighted average Common Shares outstanding - fully diluted	29,465	28,002	27,632

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(AMOUNTS IN THOUSANDS)

	2004	2003 (Restated)	2002 (Restated)
Net income available for Common Shares	$4,026	$ 25,132	$ 31,887
Net unrealized holding gains (losses) on derivative instruments	-	4,498	(4,987)
Net other comprehensive income available for Common Shares	$4,026	$ 29,630	$ 26,900

The accompanying notes are an integral part of the financial statements

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(AMOUNTS IN THOUSANDS)

	2004	2003 (Restated)	2002 (Restated)
PREFERRED STOCK, $.01 PAR VALUE	$ --	$ --	$ --
COMMON STOCK, $.01 PAR VALUE			
Balance, beginning of year	$ 222	$ 218	$ 215
Issuance of Common Stock through restricted stock grants	--	--	1
Exercise of options	2	4	2
Balance, end of year	$ 224	$ 222	$ 218
PAID - IN CAPITAL			
Balance, beginning of year	$ 263,066	$ 256,394	$ 245,827
Issuance of Common Stock for employee notes	--	--	--
Conversion of OP Units to Common Stock	155	343	227
Issuance of Common Stock through exercise of options	3,058	6,323	5,782
Issuance of Common Stock through restricted stock grants	--	--	2,709
Issuance of Common Stock through employee stock purchase plan	2,735	3,254	2,512
Compensation expense related to stock options and restricted stock	2,571	611	--
Transition adjustment - FAS 123	--	(1,047)	--
Adjustment for Common OP Unitholders in the Operating Partnership	22,719	(2,812)	(663)
Balance, end of year	$ 294,304	$ 263,066	$ 256,394
DEFERRED COMPENSATION			
Balance, beginning of year	$ (494)	$ (3,069)	$ (4,062)
Issuance of Common Stock through restricted stock grants	--	--	(2,709)
Transition adjustment - FAS 123	--	1,047	--
Recognition of deferred compensation expense	328	1,528	3,702
Balance, end of year	$ (166)	$ (494)	$ (3,069)
EMPLOYEE NOTES			
Balance, beginning of year	$ --	$ (2,713)	$ (3,841)
Principal payments	--	2,713	1,128
Balance, end of year	$ --	$ --	$ (2,713)
DISTRIBUTIONS IN EXCESS OF ACCUMULATED COMPREHENSIVE EARNINGS			
Balance, beginning of year	$(265,322)	$ (79,655)	$ (64,875)
Net income	4,026	25,132	31,887
Other comprehensive income:			
Unrealized holding (losses) gains on derivative instruments	--	4,498	(4,987)
Comprehensive income	4,026	29,630	26,900
Distributions	(1,222)	(215,297)	(41,680)
Balance, end of year	$(262,518)	$ (265,322)	$ (79,655)

The accompanying notes are an integral part of the financial statements

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(AMOUNTS IN THOUSANDS)

	2004	2003 (Restated)	2002 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 4,026	$ 25,132	$ 31,887
Adjustments to reconcile net income to cash provided by operating activities:			
Income allocated to minority interests	12,220	17,256	19,038
Gain on sale of Properties and other	(638)	(10,826)	(13,014)
Depreciation expense	51,703	39,403	37,094
Amortization expense	2,203	5,031	963
Debt premium amortization expense	(1,317)	-	-
Equity in income of affiliates and joint ventures	(4,969)	(1,042)	(957)
Amortization of deferred compensation and other	2,899	2,139	3,930
Increase in provision for uncollectible rents receivable	1,182	821	941
Changes in assets and liabilities:			
Change in rents receivable	281	(1,469)	(1,186)
Change in inventory	(17,855)	1,846	1,887
Change in prepaid expenses and other assets	(9,772)	(43)	(2,113)
Change in accounts payable and accrued expenses	5,963	(3,055)	1,471
Change in rents received in advance and security deposits	807	(30)	235
Net cash provided by operating activities	46,733	75,163	80,176
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of rental properties	(310,893)	(6,836)	(56,531)
Proceeds from dispositions of assets	671	27,170	14,171
Distributions from (investment in) joint ventures and other	(27,642)	1,535	(7,149)
Proceeds from restructuring of College Heights joint venture, net	--	--	4,647
Purchase of RSI	--	--	(675)
Cash received in acquisition of RSI	--	--	839
Collections (funding) of notes receivable	(1,708)	(1,507)	(3,784)
Improvements:			
Improvements - corporate	(444)	(72)	(681)
Improvements - rental properties	(13,663)	(11,912)	(13,377)
Site development costs	(12,975)	(8,976)	(10,433)
Net cash (used in) investing activities	(366,654)	(598)	(72,973)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from stock options and employee stock purchase plan	6,221	9,581	8,296
Distributions to Common Stockholders, Common OP Unitholders and Perpetual Preferred OP Unitholders	(237,074)	(65,687)	(58,314)
Collection of principal payments on employee notes	--	2,713	1,128
Line of credit:			
Proceeds	135,800	53,000	82,000
Repayments	(20,000)	(137,750)	(13,500)
Acquisition Financing	124,300	--	--
Repayment of term loan	--	(100,000)	--
Refinancing - net proceeds (repayments)	3,288	501,057	(16,096)
Principal payments	(8,848)	(4,844)	(4,217)
Debt issuance costs	(4,201)	(14,165)	(584)
Net cash provided by (used in) financing activities	(514)	243,905	(1,287)
Net increase (decrease) in cash and cash equivalents	(320,435)	318,470	5,916
Cash and cash equivalents, beginning of year	325,740	7,270	1,354
Cash and cash equivalents, end of year	$ 5,305	$ 325,740	$ 7,270
SUPPLEMENTAL INFORMATION			
Cash paid during the year for interest	$ 88,883	$ 52,396	$ 46,097

The accompanying notes are an integral part of the financial statements

NOTE 1 - ORGANIZATION OF THE COMPANY AND BASIS OF PRESENTATION

Equity Lifestyle Properties, Inc. (formerly Manufactured Home Communities, Inc.), together with MHC Operating Limited Partnership (the "Operating Partnership") and other consolidated subsidiaries ("Subsidiaries"), are referred to herein as the "Company", "ELS", "we", "us", and "our". We believe that we have qualified for taxation as a real estate investment trust ("REIT") for federal income tax purposes since our taxable year ended December 31, 1993. We plan to continue to meet the requirements for taxation as a REIT. Many of these requirements, however, are highly technical and complex. We cannot, therefore, guarantee that we have qualified or will qualify in the future as a REIT. The determination that we are a REIT requires an analysis of various factual matters that may not be totally within our control and we cannot provide any assurance that the Internal Revenue Service ("IRS") will agree with our analysis. For example, to qualify as a REIT, at least 95% of our gross income must come from sources that are itemized in the REIT tax laws. We are also required to distribute to stockholders at least 90% of our REIT taxable income excluding capital gains. The fact that we hold our assets through the Operating Partnership and its subsidiaries further complicates the application of the REIT requirements. Even a technical or inadvertent mistake could jeopardize our REIT status. Furthermore, Congress and the IRS might make changes to the tax laws and regulations, and the courts might issue new rulings that make it more difficult, or impossible, for us to remain qualified as a REIT. We do not believe, however, that any pending or proposed tax law changes would jeopardize our REIT status.

If we fail to qualify as a REIT, we would be subject to federal income tax at regular corporate rates. Also, unless the IRS granted us relief under certain statutory provisions, we would remain disqualified as a REIT for four years following the year we first failed to qualify. Even if the Company qualifies for taxation as a REIT, the Company is subject to certain state and local taxes on its income and property and Federal income and excise taxes on its undistributed income.

The operations of the Company are conducted primarily through the Operating Partnership. The Company contributed the proceeds from its initial public offering and subsequent offerings to the Operating Partnership for a general partnership interest. In 2004, the general partnership interest was contributed to MHC Trust (see Note 5). The financial results of the Operating Partnership and the Subsidiaries are consolidated in the Company's consolidated financial statements. In addition, since certain activities, if performed by the Company, may not be qualifying REIT activities under the Internal Revenue Code of 1986, as amended (the "Code"), the Company has formed taxable REIT subsidiaries as defined in the Code to engage in such activities.

Several Properties acquired during 2004 are wholly owned by taxable REIT subsidiaries of the Company. In addition, Realty Systems, Inc. ("RSI") is a wholly owned taxable REIT subsidiary of the Company that, doing business as Carefree Sales, is engaged in the business of purchasing, selling and leasing homes that are located in Properties owned and managed by the Company. Carefree Sales also provides brokerage services to customers at such Properties. Typically, customers move from a Property but do not relocate their homes. Carefree Sales may provide brokerage services, in competition with other local brokers, by seeking buyers for the homes. Carefree Sales also leases inventory homes to prospective customers with the expectation that the tenant eventually will purchase the home. Subsidiaries of RSI also lease from the Operating Partnership certain real property within or adjacent to certain Properties consisting of golf courses, pro shops, stores and restaurants.

The limited partners of the Operating Partnership (the "Common OP Unitholders") receive an allocation of net income which is based on their respective ownership percentage of the Operating Partnership which is shown on the Consolidated Financial Statements as Minority Interests - Common OP Units. As of December 31, 2004, the Minority Interests - Common OP Units represented 6,340,805 units of limited partnership interest ("OP Units") which are convertible into an equivalent number of shares of the Company's common stock. The issuance of additional shares of common stock or common OP Units changes the respective ownership of the Operating Partnership for both the Minority Interests and the Company.

NOTE 2 - RESTATEMENT OF FINANCIAL STATEMENTS

During 2004, the Company changed the way it accounted for costs incurred in pursuing certain rent control initiatives. As a result, the Company has restated its Consolidated Financial Statements for the years ended December 31, 2003, 2002 and 2001 to expense the costs of the initiatives in the year in which they were incurred because the previous method of accounting for the costs was determined to be incorrect. The Company had historically classified these costs, primarily legal, in other assets. To the extent the Company's efforts to effectively change the use and operations of the Properties were successful, the Company capitalized the costs to land improvements as an increase in the established value of the revised project and depreciated them over 30 years. To the extent these efforts were not successful, the costs would have been expensed.

Following is a summary of the effects of these changes on the Company's Consolidated Balance Sheets as of December 31, 2003, 2002 and 2001 and the Company's Consolidated Statements of Operations for the years ended December 31, 2003, 2002 and 2001 (amounts in thousands):

	Consolidated Balance Sheet		
	As Previously Reported	Adjustments	As Restated
As of December 31, 2003			
Land improvements	$ 911,176	$ (5,391)	$ 905,785
Prepaid expenses and other assets	35,102	(5,017)	30,085
Minority interest - Common OP Units and other	1,716	(2,082)	(366)
Total stockholders' equity (deficit)	5,798	(8,326)	(2,528)
As of December 31, 2002			
Land improvements	$ 893,839	$ -	$ 893,839
Prepaid expenses and other assets	35,884	(8,056)	27,828
Minority interest - Common OP Units and other	43,501	(1,612)	41,889
Total stockholders' equity (deficit)	177,619	(6,444)	171,175
As of December 31, 2001			
Land improvements	$ 855,296	$ -	$ 855,296
Prepaid expenses and other assets	18,612	(2,358)	16,254
Minority interest - Common OP Units and other	46,147	(472)	45,675
Total stockholders' equity (deficit)	175,150	(1,886)	173,264

	Consolidated Statements of Operations		
	As Previously Reported	Adjustments	As Restated
Year ended December 31, 2003			
Rent control initiatives	$ --	$ (2,352)	$ (2,352)
Income allocated to Common OP Units	(4,330)	470	(3,860)
Net income available for Common Shares	27,014	(1,882)	25,132
Earnings (loss) per Common Share - Basic	1.22	(0.08)	1.14
Earnings (loss) per Common Share - Fully Diluted	1.20	(0.09)	1.11
Year ended December 31, 2002			
Rent control initiatives	$ --	$ (5,698)	$ (5,698)
Income allocated to Common OP Units	(5,848)	1,140	(4,708)
Net income available for Common Shares	36,445	(4,558)	31,887
Earnings (loss) per Common Share - Basic	1.69	(0.21)	1.48
Earnings (loss) per Common Share - Fully Diluted	1.64	(0.20)	1.44
Year ended December 31, 2001			
Rent control initiatives	$ -	$ (2,358)	$ (2,358)
Income allocated to Common OP Units	(7,688)	472	(7,216)
Net income available for Common Shares	32,083	(1,886)	30,197
Earnings (loss) per Common Share - Basic	1.53	(0.09)	1.44
Earnings (loss) per Common Share - Fully Diluted	1.49	(0.09)	1.40

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The Company consolidates its majority-owned subsidiaries in which it has the ability to control the operations of the subsidiaries and all variable interest entities with respect to which the Company is the primary beneficiary. All inter-company transactions have been eliminated in consolidation. The Company's acquisitions were all accounted for as purchases in accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS No. 141").

In December 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46R, Consolidation of Variable Interest Entities ("FIN 46R") - - an interpretation of ARB 51. The objective of FIN 46R is to provide guidance on how to identify a variable interest entity ("VIE") and determine when the assets, liabilities, non-controlling interests, and results of operations of a VIE need to be included in a company's consolidated financial statements. A company that holds variable interests in an entity will need to consolidate such entity if the company absorbs a majority of the entity's expected losses or receives a majority of the entity's expected residual returns if they occur, or both (i.e., the primary beneficiary). The Company will apply FIN 46R to all types of entity ownership (general and limited partnerships and corporate interests).

The Company will re-evaluate and apply the provisions of FIN 46R to existing entities if certain events occur which warrant re-evaluation of such entities. In addition, the Company will apply the provisions of FIN 46R to all new entities in the future. The Company also consolidates entities in which it has a controlling direct or indirect voting interest. The equity method of accounting is applied to entities in which the Company does not have a controlling direct or indirect voting interest, but can exercise influence over the entity with respect to its operations and major decisions. The cost method is applied when (i) the investment is minimal (typically less than 5%) and (ii) the Company's investment is passive.

(b) Use of Estimates

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

(c) Segments

We manage all our operations on a property-by-property basis. Since each Property has similar economic and operational characteristics the Company has one reportable segment, which is the operation of land lease Properties. The distribution of the Properties throughout the United States reflects our belief that geographic diversification helps insulate the portfolio from regional economic influences. We intend to target new acquisitions in or near markets where the Properties are located and will also consider acquisitions of Properties outside such markets. The following table identifies our five largest markets by number of sites and provides information regarding our Properties (excludes Properties owned through Joint Ventures).

MAJOR MARKET	NUMBER OF PROPERTIES	TOTAL SITES	PERCENT OF TOTAL SITES	PERCENT OF TOTAL PROPERTY OPERATING REVENUES
Florida	77	32,451	36.3%	43.5%
California	44	12,865	14.4%	18.2%
Arizona	27	10,514	11.8%	10.4%
Texas	15	7,200	8.0%	2.3%
Washington	13	3,076	3.4%	0.6%
Other	71	23,280	26.1%	25.0%
Total	247	89,386	100.0%	100.0%

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Inventory

Inventory consists of new and used Site Set homes, is stated at the lower of cost or market after consideration of the N.A.D.A. (National Automobile Dealers Association) Manufactured Housing Appraisal Guide and the current market value of each home included in the home inventory. Inventory sales revenues and resale revenues are recognized when the home sale is closed. Resale revenues are stated net of commissions paid to employees of $1,163,000 and $893,000 for the years ended December 31, 2004 and 2003, respectively.

(e) Real Estate

In accordance with SFAS No. 141, we allocate the purchase price of Properties we acquire to net tangible and identified intangible assets acquired based on their fair values. In making estimates of fair values for purposes of allocating purchase price, we utilize a number of sources, including independent appraisals that may be available in connection with the acquisition or financing of the respective property and other market data. We also consider information obtained about each property as a result of our due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets acquired.

Real estate is recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. We use a 30-year estimated life for buildings acquired and structural and land improvements, a ten-to-fifteen-year estimated life for building upgrades and a three-to-seven-year estimated life for furniture, fixtures and equipment. The values of the above and below market leases are amortized and recorded as either an increase (in the case of below market leases) or a decrease (in the case of above market leases) to rental income over the remaining term of the associated lease. The value associated with in-place leases is amortized over the expected term, which includes an estimated probability of lease renewal. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred, and significant renovations and improvements that improve the asset and extend the useful life of the asset are capitalized and then expensed over their estimated useful life. However the useful lives, salvage value, and customary depreciation method used for land improvements and other significant assets may significantly and materially overstate the depreciation of the underlying assets and therefore understate the net income of the Company.

We evaluate our Properties for impairment when conditions exist which may indicate that it is probable that the sum of expected future cash flows (undiscounted) from a Property over the anticipated holding period is less than its carrying value. Upon determination that a permanent impairment has occurred, the applicable Property is reduced to fair value.

For Properties to be disposed of, an impairment loss is recognized when the fair value of the property, less the estimated cost to sell, is less than the carrying amount of the property measured at the time the Company has a commitment to sell the property and/or is actively marketing the property for sale. A property to be disposed of is reported at the lower of its carrying amount or its estimated fair value, less costs to sell. Subsequent to the date that a property is held for disposition, depreciation expense is not recorded. The Company accounts for its Properties held for disposition in accordance with Statement of Financial Accounting Standards No. 144 ("SFAS No. 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets". Accordingly, the results of operations for all assets sold or held for sale after January 1, 2003 have been classified as discontinued operations in all periods presented.

(f) Cash and Cash Equivalents

We consider all demand and money market accounts and certificates of deposit with a maturity, when purchased, of three months or less to be cash equivalents.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Notes Receivable

Notes receivable generally are stated at their outstanding unpaid principal balances net of any deferred fees or costs on originated loans, or unamortized discounts or premiums net of a valuation allowance. Interest income is accrued on the unpaid principal balance. Discounts or premiums are amortized to income using the interest method. In certain cases we finance the sales of homes to our customers (referred to as "Chattel Loans") which loans are secured by the homes. The valuation allowance for the Chattel Loans is calculated based on a comparison of the outstanding principal balance of each note compared to the N.A.D.A. value and the current market value of the underlying manufactured home collateral.

(h) Investments in Joint Ventures

Investments in joint ventures in which the Company does not have a controlling direct or indirect voting interest, but can exercise significant influence over the entity with respect to its operations and major decisions, are accounted for using the equity method of accounting whereby the cost of an investment is adjusted for the Company's share of the equity in net income or loss from the date of acquisition and reduced by distributions received. The income or loss of each entity is allocated in accordance with the provisions of the applicable operating agreements. The allocation provisions in these agreements may differ from the ownership interests held by each investor. Differences between the carrying amount of the Company's investment in the respective entities and the Company's share of the underlying equity of such unconsolidated entities are amortized over the respective lives of the underlying assets, as applicable.

In applying the provisions of FIN 46R (see Basis of Consolidation, above), the Company determined that its Mezzanine Investment is a VIE; however, the Company concluded that it is not the primary beneficiary. As such, the adoption of this pronouncement had no effect on the Company's financial statements.

(i) Insurance Claims

The Properties are covered against fire, flood, property, earthquake, wind storm and business interruption by insurance policies containing various deductible requirements and coverage limits. Recoverable costs are classified in other assets as incurred. Proceeds are applied against the asset when received. Costs relating to capital items are treated in accordance with the Company's capitalization policy. The book value of the original capital item is written off in the replacement period. Insurance proceeds relating to the capital costs will be recorded as income in the period they are received.

(j) Fair Value of Financial Instruments

The Company's financial instruments include short-term investments, notes receivable, accounts receivable, accounts payable, other accrued expenses, mortgage notes payable and interest rate hedge arrangements. The fair values of all financial instruments, including notes receivable, were not materially different from their carrying values at December 31, 2004 and 2003.

(k) Deferred Financing Costs

Deferred financing costs include fees and costs incurred to obtain long-term financing. The costs are being amortized over the terms of the respective loans on a level yield basis. Unamortized deferred financing fees are written-off when debt is retired before the maturity date. Upon amendment of the Line of Credit, unamortized deferred financing fees are accounted for in accordance with EITF No. 98-14, "Debtor's Accounting for Changes in Line-of-Credit or Revolving-Debt Arrangements." Accumulated amortization for such costs was $4.9 million and $2.7 million at December 31, 2004 and 2003, respectively.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Revenue Recognition

The Company accounts for leases with its customers as operating leases. Rental income is recognized over the term of the respective lease or the length of a customer's stay, the majority of which are for a term of not greater than one year. We will reserve for receivables when we believe the ultimate collection is less than probable. Our provision for uncollectible rents receivable was approximately $1.0 million as of December 31, 2004 and $0.8 million as of December 31, 2003. Income from home sales is recognized when the earnings process is complete. The earnings process is complete when the home has been delivered, the purchaser has accepted the home and title has transferred.

(m) Minority Interests

Net income is allocated to Common OP Unitholders based on their respective ownership percentage of the Operating Partnership. An ownership percentage is represented by dividing the number of Common OP Units held by the Common OP Unitholders (6,340,805 and 5,312,387 at December 31, 2004 and 2003, respectively) by OP Units and shares of Common Stock outstanding. Issuance of additional shares of Common Stock or Common OP Units changes the percentage ownership of both the Minority Interests and the Company. Due in part to the exchange rights (which provide for the conversion of Common OP Units into shares of Common Stock on a one-for-one basis), such transactions and the proceeds there from are treated as capital transactions and result in an allocation between stockholders' equity and Minority Interests to account for the change in the respective percentage ownership of the underlying equity of the Operating Partnership.

(n) Income Taxes

Due to the structure of the Company as a REIT, the results of operations contain no provision for Federal income taxes. However, the Company may be subject to certain state and local income, excise or franchise taxes. We paid state and local taxes of approximately $88,000, $56,000 and $20,000 during the years ended December 31, 2004, 2003 and 2002, respectively. In addition, taxable income from non-REIT activities managed through taxable REIT subsidiaries is subject to federal, state and local income taxes. As of December 31, 2004, net investment in real estate and notes receivable had a Federal tax basis of approximately $1,386 million and $13.3 million, respectively.

(o) Derivative Instruments and Hedging Activities

We recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings.

(p) Reclassifications

Certain 2003 and 2002 amounts have been reclassified to conform to the 2004 financial presentation. Such reclassifications have no effect on the operations or equity as originally presented.

(q) Stock Compensation

Prior to January 1, 2003, we accounted for our stock compensation in accordance with APB No. 25, "Accounting for Stock Issued to Employees", based upon the intrinsic value method. This method results in no compensation expense for options issued with an exercise price equal to or exceeding the market value of the Common Stock on the date of grant. Effective January 1, 2003, we elected to account for our stock compensation in accordance with SFAS No. 123 and its amendment (SFAS No. 148), "Accounting for Stock Based Compensation", which resulted in compensation expense being recorded based on the fair value of the stock options and other equity awards issued (see Note 14).

NOTE 4 - EARNINGS PER COMMON SHARE

Earnings per common share are based on the weighted average number of common shares outstanding during each year. Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("SFAS No. 128") defines the calculation of basic and fully diluted earnings per share. Basic and fully diluted earnings per share are based on the weighted average shares outstanding during each year and basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. The conversion of OP Units has been excluded from the basic earnings per share calculation. The conversion of an OP Unit to a share of Common Stock has no material effect on earnings per common share.

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31, 2004, 2003 and 2002 (amounts in thousands):

	YEARS ENDED DECEMBER 31,		
	2004	2003	2002
		(Restated)	(Restated)
NUMERATORS:			
INCOME FROM CONTINUING OPERATIONS:			
Income from continuing operations - basic	$ 2,621	$ 13,748	$ 17,192
Amounts allocated to dilutive securities	608	3,431	4,230
Income from continuing operations - fully diluted	$ 3,229	$ 17,179	$ 21,422
INCOME FROM DISCONTINUED OPERATIONS:			
Income from discontinued operations - basic	$ 1,405	$ 11,384	$ 14,695
Amounts allocated to dilutive securities	328	2,573	3,556
Income from discontinued operations - fully diluted	$ 1,733	$ 13,957	$ 18,251
NET INCOME AVAILABLE FOR COMMON SHARES:			
Net income available for Common Shares - basic	$ 4,026	$ 25,132	$ 31,887
Amounts allocated to dilutive securities	936	6,004	7,786
Net income available for Common Shares - fully diluted	$ 4,962	$ 31,136	$ 39,673
DENOMINATOR:			
Weighted average Common Shares outstanding - basic	22,849	22,077	21,617
Effect of dilutive securities:			
Redemption of Common OP Units for Common Shares	6,067	5,342	5,403
Employee stock options and restricted shares	549	583	612
Weighted average Common Shares outstanding - fully diluted	29,465	28,002	27,632

NOTE 5 - COMMON STOCK AND OTHER EQUITY RELATED TRANSACTIONS

The following table presents the changes in the Company's outstanding Common Stock for the years ended December 31, 2004, 2003 and 2002 (excluding OP Units of 6,340,805, 5,312,387 and 5,359,927 outstanding at December 31, 2004, 2003 and 2002, respectively):

	2004	2003	2002
Shares outstanding at January 1,	22,563,348	22,093,240	21,562,343
Common Stock issued through conversion of OP Units	95,769	47,540	66,447
Common Stock issued through exercise of options	196,834	302,526	282,959
Common Stock issued through stock grants	--	35,000	108,341
Common Stock issued through Employee Stock Purchase Plan	81,241	85,042	73,150
Common Stock repurchased and retired	--	--	--
Shares outstanding at December 31,	22,937,192	22,563,348	22,093,240

As of December 31, 2004 and 2003, the Company's percentage ownership of the Operating Partnership was approximately 78.5% and 80%, respectively. The remaining approximately 21.5% and 20%, respectively, is owned by the Common OP Unitholders.

On September 30, 1999, the Operating Partnership completed a $125 million private placement of 9.0% Series D Cumulative Perpetual Preferred Units ("POP Units") with two institutional investors. The POP Units, which are callable by the Company after five years, have no stated maturity or mandatory redemption. The Operating Partnership pays distributions of 9.0% per annum on the $125 million of POP Units. Distributions on the POP Units are paid quarterly on the last calendar day of each quarter.

The following distributions have been declared and paid to common stockholders and Minority Interests since January 1, 2002:

DISTRIBUTION AMOUNT PER SHARE	FOR THE QUARTER ENDING	SHAREHOLDER RECORD DATE	PAYMENT DATE
$0.4750	March 31, 2002	March 29, 2002	April 12, 2002
$0.4750	June 30, 2002	June 28, 2002	July 12, 2002
$0.4750	September 30, 2002	September 27, 2002	October 11, 2002
$0.4750	December 31, 2002	December 27, 2002	January 10, 2003
$0.4950	March 31, 2003	March 28, 2003	April 11, 2003
$0.4950	June 30, 2003	June 27, 2003	July 11, 2003
$0.4950	September 30, 2003	September 26, 2003	October 10, 2003
$ 8.00	December 31, 2003	January 8, 2004	January 16, 2004
$0.0125	March 31, 2004	March 26, 2004	April 9, 2004
$0.0125	June 30, 2004	June 25, 2004	July 9, 2004
$0.0125	September 30, 2004	September 24, 2004	October 8, 2004
$0.0125	December 31, 2004	December 31, 2004	January 14, 2005

On December 12, 2003, we declared a one-time special distribution of $8.00 per share payable to stockholders of record on January 8, 2004. We used proceeds from the $501 million borrowing in October 2003 to pay the special distribution on January 16, 2004. The special cash dividend was reflected on stockholders' 2004 1099-DIV issued in January 2005.

In connection with the $501 million borrowing and subsequent special distribution, on February 27, 2004, the Company contributed all of its assets to MHC Trust, a newly formed Maryland real estate investment trust, including the Company's entire partnership interest in Operating Partnership. The Company determined that a taxable transaction in connection with the special distribution to stockholders would be in the Company's best interests. This was accomplished by the contribution of the Company's interest in the Operating Partnership to MHC Trust in exchange for all the common and preferred stock of MHC Trust. Due to the Company's tax basis in its interest in the Operating Partnership, the Company

NOTE 5 - COMMON STOCK AND OTHER EQUITY RELATED TRANSACTIONS (CONTINUED)

recognized $180 million of taxable income as a result of its contribution, as opposed to a nontaxable reduction of the Company's tax basis in its interest in the Operating Partnership. This restructuring resulted in a step-up in the Company's tax basis in its assets, generating future depreciation deductions, which in turn will reduce the Company's future distribution requirements. The Company intends to continue to qualify as a REIT under the Code, with its assets consisting of interests in MHC Trust. MHC Trust, in turn, intends to also qualify as a real estate investment trust under the Code and will be the general partner of the Operating Partnership. On May 1, 2004, in connection with the restructuring, MHC Trust sold cumulative preferred stock to a limited number of unaffiliated investors.

The Company adopted, effective July 1, 1997, the 1997 Non-Qualified Employee Stock Purchase Plan ("ESPP"). Pursuant to the ESPP, certain employees and directors of the Company may each annually acquire up to $250,000 of Common Stock of the Company. The aggregate number of shares of Common Stock available under the ESPP shall not exceed 1,000,000, subject to adjustment by the Company's Board of Directors. The Common Stock may be purchased monthly at a price equal to 85% of the lesser of: (a) the closing price for a share of Common Stock on the last day of the offering period; and (b) the closing price for a share of Common Stock on the first day of the offering period. Shares of Common Stock issued through the ESPP for the years ended December 31, 2004, 2003 and 2002 were 80,955, 82,943 and 71,107, respectively.

NOTE 6 - INVESTMENT IN REAL ESTATE

Investment in Real Estate is comprised of (amounts in thousands):

Properties Held for Long Term

	DECEMBER 31, 2004	DECEMBER 31, 2003
Investment in real estate:		
Land	$ 462,619	$ 274,811
Land improvements	1,406,246	874,456
Buildings and other depreciable property	124,357	119,249
	1,993,222	1,268,516
Accumulated depreciation	(309,277)	(260,226)
Net investment in real estate	$ 1,683,945	$ 1,008,290

Properties Held for Sale

	DECEMBER 31, 2004	DECEMBER 31, 2003
Investment in real estate:		
Land	$ 7,968	$ 7,992
Land improvements	32,677	31,329
Buildings and other depreciable property	1,923	1,868
	42,568	41,189
Accumulated depreciation	(13,590)	(12,271)
Net investment in real estate	$ 28,978	$ 28,918

Land improvements consist primarily of improvements such as grading, landscaping and infrastructure items such as streets, sidewalks or water mains. Depreciable property consists of permanent buildings in the Properties such as clubhouses, laundry facilities, maintenance storage facilities, and furniture, fixtures and equipment.

NOTE 6 - INVESTMENT IN REAL ESTATE (CONTINUED)

All acquisitions have been accounted for utilizing the purchase method of accounting and, accordingly, the results of operations of acquired assets are included in the statements of operations from the dates of acquisition. We acquired all of these Properties from unaffiliated third parties. During the three years ended December 31, 2004, the Company acquired the following Properties (amounts in millions, except site information):

1) During the year ended December 31, 2004, we acquired the following Properties:

CLOSING DATE	PROPERTY	LOCATION	TOTAL SITES	REAL ESTATE	DEBT	NET EQUITY
ACQUISITIONS:						
January 15, 2004	O'Connell's	Amboy, IL	668	$ 6.6	$ 5.0	$ 1.6
January 30, 2004	Spring Gulch	New Holland, PA	420	6.4	4.8	1.6
February 3, 2004	Paradise	Mesa, AZ	950	25.7	20.0	5.7
February 18, 2004	Twin Lakes	Chocowinity, NC	400	5.2	3.8	1.4
February 19, 2004	Lakeside	New Carlisle, IN	95	1.7	--	1.7
February 5, 2004	Diversified Portfolio	Various	2,567	64.0	41.6	20.9
February 17, 2004	NHC Portfolio (a)	Various	11,311	235.0	159.0	69.0
May 3, 2004	Viewpoint	Mesa, AZ	1,928	81.3	44.0	37.3
May 12, 2004	Cactus Gardens	Yuma, AZ	430	7.9	4.9	3.0
May 13, 2004	Monte Vista	Mesa, AZ	832	45.8	23.0	22.8
May 14, 2004	GE Portfolio	Various	1,155	52.9	37.7	15.2
September 8, 2004	Yukon Trails	Lyndon Station, WI	214	2.2	--	2.2
November 10, 2004	Thousand Trails Portfolio(b)	Various	17,911	161.8	120.0	42.2
November 4, 2004	Caledonia	Caledonia, WI	247	1.5	--	1.5
December 30, 2004	Fremont	Fremont, WI	325	5.7	4.3	1.4

a) On February 17, 2004, the Company acquired 93% of PAMI entities' interests in 28 Properties. On July 1, 2004, the Company acquired the remaining minority interest of the PAMI entities for a combination of $1.0 million in cash and common OP units. On December 20, 2004, the Company redeemed the common OP Units for $4.5 million.

b) On November 10, 2004 the Company provided a long-term lease of the real estate to Thousand Trails, which will continue to operate the Properties for its members. The lease will generate $16 million of income to the Company on an absolute triple net basis subject to annual escalations of 3.25%. The initial term of the lease is 15 years, with two five-year renewal options.

In connection with the 2004 acquisitions and not reflected in the table above the Company acquired inventory of approximately $1.2 million, other assets of $4.9 million, rents received in advance of approximately $13.6 million and other liabilities of approximately $5.8 million. The Company also issued common OP Units for value of approximately $32.2 million. Additional equity was funded through our line of credit and funds from operations.

2) During the year ended December 31, 2003, we acquired the following Properties:

CLOSING DATE	PROPERTY	LOCATION	TOTAL SITES	REAL ESTATE	DEBT	NET EQUITY
ACQUISITIONS:						
December 3, 2003	Toby's	Arcadia, FL	379	$ 4.3	$ --	$ 4.3
December 15, 2003	Araby Acres	Yuma, AZ	337	5.7	3.2	2.5
December 15, 2003	Foothill	Yuma, AZ	180	1.8	1.4	0.4

The acquisitions were funded with monies held in short-term investments. The acquisitions included the assumption of liabilities of approximately $0.6 million. Also during 2003, we acquired a parcel of land adjacent to one of our Properties for approximately $0.1 million.

NOTE 6 - INVESTMENT IN REAL ESTATE (CONTINUED)

3) During the year ended December 31, 2002, we acquired the following Properties:

CLOSING DATE	PROPERTY	LOCATION	TOTAL SITES	REAL ESTATE	DEBT	NET EQUITY
ACQUISITIONS:						
March 12, 2002	Mt. Hood Village	Welches, OR	450	$ 7.2	$ --	$ 7.2
July 10, 2002	Harbor View Village	New Port Richey, FL	471	15.5	8.1	7.4
July 31, 2002	Golden Sun	Apache Junction, AZ	329	6.3	3.1	3.2
July 31, 2002	Countryside	Apache Junction, AZ	560	7.5	--	7.5
July 31, 2002	Holiday Village	Ormond Beach, FL	301	10.4	7.1	3.3
July 31, 2002	Breezy Hill	Pompano Beach, FL	762	20.5	10.5	10.0
August 14, 2002	Highland Woods	Pompano Beach, FL	148	3.9	2.5	1.4
August 7, 2002	Tropic Winds	Harlingen, TX	531	4.9	--	4.9
October 1, 2002	Silk Oak Lodge	Clearwater, FL	180	6.2	3.9	2.3
December 18, 2002	Hacienda Village	New Port Richey, FL	519	16.8	10.2	6.6
December 31, 2002	Glen Ellen	Clearwater, FL	117	2.4	2.5	--

The acquisitions were funded with borrowings on our Line of Credit and the assumption of $47.9 million of mortgage debt, which includes a $3.0 million discount mark-to-market adjustment. In addition, we purchased adjacent land and land improvements for several Properties for approximately $0.6 million.

During the three years ended December 31, 2004 the Company disposed of the following Properties. The operating results have been reflected in discontinued operations.

1) During the year ended December 31, 2004, we sold one Property located in Lake Placid, Florida for a selling price of $3.4 million, with net proceeds of $0.8 million received in July 2004. No gain or loss on disposition was recognized in the period. In addition, we sold approximately 1.4 acres of land in Montana for a gain and net proceeds of $0.6 million.

2) During the year ended December 31, 2003, we sold the three Properties listed in the table below. Proceeds from the sales were used to repay amounts on the Company's Line of Credit.

DATE DISPOSED	PROPERTY	LOCATION	TOTAL SITES	DISPOSITION PRICE	GAIN ON SALE
				($ millions)	($ millions)
June 6, 2003	Independence Hill	Morgantown, WV	203	$ 3.9	$ 2.8
June 6, 2003	Brook Gardens	Hamburg, NY	424	17.8	4.1
June 30, 2003	Pheasant Ridge	Mount Airy, MD	101	5.4	3.9

3) Also during 2002, we effectively sold 17 Properties as part of a restructuring of the College Heights Joint Venture discussed hereinafter. In addition, we sold Camelot Acres, a 319 site Property in Burnsville, Minnesota, for approximately $14.2 million.

NOTE 6 - INVESTMENT IN REAL ESTATE (CONTINUED)

The following table illustrates the effect on net income and earnings per share if the Company had consummated the acquisitions during the year ended December 2004 and 2003 on January 1, 2004 and 2003, respectively (amounts in thousands, except per share data):

Pro Forma Information (unaudited):	FOR THE YEARS ENDED DECEMBER 31, 2004	2003
Property operating revenues	$ 300,258	$ 290,101
Income from continuing operations	$ 5,677	$ 18,587
Net income available for Common Shares	$ 7,114	$ 30,166
Earnings per Common Share - Basic:		
Income from continuing operations	$ 0.25	$ 0.84
Net income available for Common Shares	$ 0.31	$ 1.36
Earnings per Common Share - Fully Diluted:		
Income from continuing operations	$ 0.24	$ 0.84
Net income available for Common Shares	$ 0.30	$ 1.34

We actively seek to acquire additional Properties and currently are engaged in negotiations relating to the possible acquisition of a number of Properties. At any time these negotiations are at varying stages which may include contracts outstanding to acquire certain Properties which are subject to satisfactory completion of our due diligence review.

The following table summarizes the results of operations of Properties held for sale or sold through March 31, 2005 and the required reclassification of the operating results of all such Properties for the years ended December 31, 2004, 2003 and 2002 (amounts in thousands):

	2004	2003	2002
Rental income	$ 6,785	$ 8,670	$ 11,868
Utility and other income	642	760	1,198
Property operating revenues	7,427	9,430	13,066
Property operating expenses	3,930	4,607	5,693
Income from property operations	3,497	4,823	7,373
(Loss) income from home sales operations and other	(52)	(22)	24
Interest	(961)	(191)	(8)
Amortization	(34)	(5)	--
Depreciation	(1,353)	(1,474)	(2,151)
Total other expenses	(2,348)	(1,670)	(2,159)
Gain on sale	636	10,826	13,014
Income before minority interests from discontinued operations	$ 1,733	$ 13,957	$ 18,252

NOTE 7 - INVESTMENT IN JOINT VENTURES

On February 3, 2004, the Company invested approximately $29.7 million in preferred equity interests (the "Mezzanine Investment") in six entities controlled by Diversified Investments, Inc. ("Diversified"). These entities own in the aggregate 11 Properties, containing 5,054 sites. Approximately $11.7 million of the Mezzanine Investment accrues at a per annum average rate of 10%, with a minimum per annum pay rate of 6.5%, payable quarterly, and approximately $17.9 million of the Mezzanine Investment accrues at a per annum average rate of 11%, with a minimum pay rate of 7%, payable quarterly. To the extent the minimum pay rates on the respective Mezzanine Investments are not achieved, the accrual rates increase to 12% and 13% per annum, respectively. The Company can acquire these Properties in the future at capitalization rates of between 8% and 8.5%, beginning in 2006. In addition, the Company has invested approximately $1.4 million in the Diversified entities managing these 11 Properties, which is included in prepaid expenses and other assets on the Company's Consolidated Balance Sheet as of December 31, 2004.

During the year ended December 31, 2004, the Company invested approximately $4.1 million with Diversified in 11 separate property-owning entities. The Company can acquire these Properties in the future at capitalization rates of between 8% and 8.5%, beginning in 2006.

The Company recorded approximately $3.7 million, $0.3 million, and $0.2 million of income from joint ventures, net of $1.2 million, $0.8 million and $0.7 million depreciation, in the years ended December 31, 2004, 2003 and 2002, respectively; and received approximately $5.2 million, $0.8 million and $0.6 million in distributions from joint ventures in the years ended December 31, 2004, 2003, and 2002 respectively. Due to the Company's inability to control the joint ventures, the Company accounts for its investment in the joint ventures using the equity method of accounting.

The following is a summary of the Company's investments in unconsolidated joint ventures:

PROPERTY	LOCATION	NUMBER OF SITES	ECONOMIC INTEREST (a)	INVESTMENT AS OF DEC. 31, 2004	INVESTMENT AS OF DEC. 31, 2003
				(in thousands)	(in thousands)
Trails West	Tucson, AZ	503	50%	$ 1,731	$ 1,752
Plantation	Calimesa, CA	385	50%	3,032	2,825
Manatee	Bradenton, FL	--	90%	--	45
Home	Hallandale, FL	136	90%	--	1,082
Villa del Sol	Sarasota, FL	207	90%	630	654
Voyager	Tucson, AZ	767	25%	3,010	4,412
Mezzanine Investments	Various	5,054	--	31,207	--
Indian Wells	Indio, CA	350	30%	271	--
Diversified Investments	Various	4,443	25%	3,702	--
		11,845		$ 43,583	$ 10,770

(a) The percentages shown approximate the Company's economic interest. The Company's legal ownership interest may differ.

NOTE 7 - INVESTMENT IN JOINT VENTURES (CONTINUED)

UNCONSOLIDATED REAL ESTATE JOINT VENTURE FINANCIAL INFORMATION

The following tables represent combined summarized financial information of the unconsolidated real estate joint ventures.

BALANCE SHEETS AS OF DECEMBER 31,

	2004	2003
	(in thousands)	(in thousands)
ASSETS		
Real estate, net	$ 183,480	$ 49,899
Other assets	22,646	4,723
TOTAL ASSETS	206,126	54,622
LIABILITIES		
Mortgage debt & other loans	$ 152,682	$ 39,253
Other liabilities	13,485	8,393
Partner's equity	39,959	6,976
TOTAL LIABILITIES AND EQUITY	$ 206,126	$ 54,622

STATEMENT OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31,	
	2004	2003
	(in thousands)	(in thousands)
Rentals	$ 27,941	$ 9,632
Other Income	5,390	2,241
TOTAL REVENUES	33,331	11,873
EXPENSES		
Operating expenses	$ 16,454	$ 6,709
Interest	7,558	2,852
Other Income & Expenses	2,672	203
Depreciation & Amortization	10,165	676
TOTAL EXPENSES	36,849	10,440
NET (LOSS) INCOME	($ 3,518)	$ 1,433

NOTE 8 - NOTES RECEIVABLE

At December 31, 2004 and 2003, the Company had approximately $13.3 million and $11.6 million in notes receivable, respectively. On December 28, 2000, the Company, in connection with the Voyager Joint Venture, entered into an agreement to loan $3.0 million to certain principals of Meadows Management Company. The notes are collateralized with a combination of Common OP Units and partnership interests in this and other joint ventures. The notes bear interest at prime plus 0.5% per annum, require quarterly interest only payments and mature on December 31, 2011. The outstanding balance on these notes as of December 31, 2004 is $0.4 million.

The Company has approximately $12.9 million in Chattel Loans receivable, which yield interest at a per annum average rate of approximately 9.0%, have an average term and amortization of 5 to 15 years, require monthly principal and interest payments and are collateralized by homes at certain of the Properties.

NOTE 9 - EMPLOYEE NOTES RECEIVABLE

As of December 31, 2004 and 2003, the Company had employee notes receivable of $0 million. During 2003, approximately $2.7 million of notes receivable were repaid. These notes were collateralized by shares of the Company's Common Stock and are presented as a reduction of Stockholders' Equity.

NOTE 10 - LONG-TERM BORROWINGS

As of December 31, 2004 and December 31, 2003, the Company had outstanding mortgage indebtedness for Properties held for the long-term of approximately $1,402 million and $1,061 million, respectively, and $15 million as of December 31, 2003 and 2004 for Properties held for sale, encumbering 165 and 114 of the Company's Properties, respectively. As of December 31, 2004 and December 31, 2003, the carrying value of such Properties was approximately $1,653 million and $1,124 million, respectively.

MORTGAGE DEBT OUTSTANDING

- Approximately $499.2 million of mortgage debt (the Recap) consisting of 49 loans collateralized by 51 Properties beneficially owned by separate legal entities that are Subsidiaries of the Company, which we closed on October 17, 2003. Of this Mortgage Debt, $166.1 million bears interest at 5.35% per annum and matures November 1, 2008; $80.6 million bears interest at 5.72% per annum and matures November 1, 2010; $79.1 million bears interest at 6.02% per annum and matures November 1, 2013; and $173.4 million bears interest at 6.33% per annum and matures November 1, 2015. The Mortgage Debt amortizes over 30 years.

- A $265.0 million mortgage note (the "$265 Million Mortgage") collateralized by 28 Properties beneficially owned by MHC Financing Limited Partnership. The $265 Million Mortgage has a maturity date of January 2, 2028 and bears interest at 7.015% per annum. There is no principal amortization until February 1, 2008, after which principal and interest are to be paid from available cash flow and the interest rate will be reset at a rate equal to the then 10-year U.S. Treasury obligations plus 2.0%. The $265 Million Mortgage is presented net of a settled hedge of $3.0 million (net of accumulated amortization of $466,969), which is being amortized into interest expense over the life of the loan.

- A $90.5 million mortgage note (the "DeAnza Mortgage") collateralized by 6 Properties beneficially owned by MHC-DeAnza Financing Limited Partnership. The DeAnza Mortgage bears interest at a rate of 7.82% per annum, amortizes beginning August 1, 2000 over 30 years and matures July 1, 2010.

- A $48.4 million mortgage note (the "Stagecoach Mortgage") collateralized by 7 Properties beneficially owned by MHC Stagecoach L.L.C. The Stagecoach Mortgage bears interest at a rate of 6.98% per annum, amortizes beginning September 1, 2001 over 10 years and matures September 1, 2011.

NOTE 10 - LONG-TERM BORROWINGS (CONTINUED)

- A $43.7 million mortgage note (the "Bay Indies Mortgage") collateralized by one Property beneficially owned by MHC Bay Indies, L.L.C. The Bay Indies Mortgage bears interest at a rate of 5.69% per annum, amortizes beginning April 17, 2003 over 25 years and matures May 1, 2013.

- A $15.2 million mortgage note (the "Date Palm Mortgage") collateralized by one Property beneficially owned by MHC Date Palm, L.L.C. The Date Palm Mortgage bears interest at a rate of 7.96% per annum, amortizes beginning August 1, 2000 over 30 years and matures July 1, 2010

- Approximately $457.9 million of mortgage debt on 71 other Properties, which was recorded at fair market value with the related discount or premium being amortized over the life of the loan using the effective interest rate method. Scheduled maturities for the outstanding indebtedness are at various dates through November 1, 2027, and fixed interest rates range from 5.16% to 8.55% per annum. Included in this debt, the Company has a $2.4 million loan recorded to account for a direct financing lease entered into in May 1997. Approximately $157 million of debt was assumed in the acquisition of 28 Properties during the twelve months ended December 31, 2004.

UNSECURED TERM LOAN OUTSTANDING

- The Company entered into a Term Loan agreement, pursuant to which it borrowed $120 million, on an unsecured basis, at LIBOR plus 1.75% per annum. The loan will be due and payable on November 10, 2007, unless this initial maturity date is extended by the borrower for an additional two years upon satisfaction of certain conditions. Proceeds from this debt were used to acquire KTTI Holding Company, Inc. as part of the Thousand Trails transaction.

UNSECURED LINES OF CREDIT OUTSTANDING

- The Company entered into a $110 million facility with a group of banks in December 2003, bearing interest at LIBOR plus 1.65% per annum that matures on August 9, 2006, which can be extended for an additional year to 2007. As of December 31, 2004, $35.7 million was available under this facility.

- The Company entered into a $50 million facility with Wells Fargo Bank in May 2004, bearing interest at LIBOR plus 1.65% per annum that matures on May 4, 2006, which can be extended for an additional year to 2007. As of December 31, 2004, $8.5 million was available under this facility.

In December 2004, we fixed $180 million of this floating rate debt for 1 year with a weighted average rate of 4.7% per annum.

Aggregate payments of principal on long-term borrowings for each of the next five years and thereafter are as follows (amounts in thousands):

YEAR	AMOUNT
2005	$ 18,742
2006	169,770
2007	432,350
2008	203,903
2009	70,558
Thereafter	748,349
Net unamortized premiums and discounts	9,379
Total	$ 1,653,051

NOTE 11 - LEASE AGREEMENTS

The leases entered into between the customer and the Company for the rental of a site are generally month-to-month or for a period of one to ten years, renewable upon the consent of the parties or, in some instances, as provided by statute. Non-cancelable long-term leases are in effect at certain sites within approximately 37 of the Properties. Rental rate increases at these Properties are primarily a function of increases in the Consumer Price Index, taking into consideration certain floors and ceilings. Additionally, periodic market rate adjustments are made as deemed appropriate. Future minimum rents are scheduled to be received under non-cancelable tenant leases at December 31, 2004 as follows (amounts in thousands):

YEAR	AMOUNT
2005	$ 50,916
2006	52,062
2007	43,537
2008	31,983
2009	19,106
Thereafter	44,149
Total	$ 241,753

NOTE 12 - GROUND LEASES

The Company leases land under non-cancelable operating leases at certain of the Properties expiring in various years from 2022 to 2032 with terms which require 12 equal payments per year plus additional rents calculated as a percentage of gross revenues. For the years ended December 31, 2004, 2003 and 2002, ground lease rent was approximately $1.6 million per year. Minimum future rental payments under the ground leases are approximately $1.6 million for each of the next five years and approximately $23.5 million thereafter.

NOTE 13 - TRANSACTIONS WITH RELATED PARTIES

Equity Group Investments, Inc. ("EGI"), an entity controlled by Mr. Samuel Zell, Chairman of the Company's Board of Directors, and certain of its affiliates have provided services such as administrative support and investor relations. Fees paid to EGI and its affiliates amounted to approximately $0, $300 and $1,000 for the years ended December 31, 2004, 2003 and 2002, respectively. There were no significant amounts due to these affiliates as of December 31, 2004 and 2003, respectively.

Certain related entities, affiliated with Mr. Zell, have provided services to the Company. These entities include, but are not limited to, The Riverside Agency, Inc. which provided insurance brokerage services and Two North Riverside Plaza Joint Venture Limited Partnership from which the Company leases office space. Fees paid to these entities amounted to approximately $412,000, $404,000 and $645,000 for the years December 31, 2004, 2003 and 2002, respectively. Amounts due to these entities were approximately $0 and $32,000 as of December 31, 2004 and 2003, respectively. During 2003, we paid $25,000 to J. Green & Co., L.L.C. for services provided by Mr. Berman, the Company's current Chief Financial Officer, prior to his employment by the Company.

Related party agreements or fee arrangements are generally for a term of one year and approved by independent members of the Company's Board of Directors.

NOTE 14 - STOCK OPTION PLAN AND STOCK GRANTS

The Company's Stock Option and Stock Award Plan (the "Plan") was adopted in December 1992 and amended and restated from time to time, most recently effective March 23, 2001. Pursuant to the Plan, officers, directors, employees and consultants of the Company are offered the opportunity (i) to acquire shares of Common Stock through the grant of stock options ("Options"), including non-qualified stock options and, for key employees, incentive stock options within the meaning of Section 422 of the Internal Revenue Code; and (ii) to be awarded shares of Common Stock ("Restricted Stock Grants"), subject to conditions and restrictions determined by the Compensation, Nominating, and Corporate Governance Committee of the Company's Board of Directors (the "Compensation Committee"). The Compensation

NOTE 14 - STOCK OPTION PLAN AND STOCK GRANTS (CONTINUED)

Committee will determine the vesting schedule, if any, of each Option and the term, which term shall not exceed ten years from the date of grant. As to the Options that have been granted through December 31, 2004 to officers, employees and consultants, generally, one-third are exercisable one year after the initial grant, one-third are exercisable two years following the date such Options were granted and the remaining one-third are exercisable three years following the date such Options were granted. A maximum of 6,000,000 shares of Common Stock are available for grant under the Plan and no more than 250,000 shares may be subject to grants to any one individual in any calendar year.

Grants under the Plan are made by the Compensation Committee, which determines the individuals eligible to receive awards, the types of awards, and the terms, conditions and restrictions applicable to any award. In addition, the terms of two specific types of awards are contemplated under the Plan:

- The first type of award is a grant of Options or Restricted Stock Grants of Common Stock made to each member of the Board at the meeting held immediately after each annual meeting of the Company's stockholders. Generally, if the director elects to receive Options, the grant will cover 10,000 shares of Common Stock at an exercise price equal to the fair market value on the date of grant. If the director elects to receive a Restricted Stock Grant of Common Stock, he or she will receive an award of 2,000 shares of Common Stock. Exercisability or vesting with respect to either type of award will be with respect to one-third of the award after six months, two-thirds of the award after one year, and the full award after two years.

- The second type of award is a grant of Common Stock in lieu of 50% of their bonus otherwise payable to individuals with a title of Vice President or above. A recipient can request that the Compensation Committee pay a greater or lesser portion of the bonus in shares of Common Stock.

Prior to 2003, we accounted for our stock compensation in accordance with APB No. 25, "Accounting for Stock Issued to Employees", based upon the intrinsic value method. This method results in no compensation expense for Options issued with an exercise price equal to or exceeding the market value of the Common Stock on the date of grant. Effective January 1, 2003, we elected to account for our stock-based compensation in accordance with SFAS No. 123 and its amendment (SFAS No. 148), "Accounting for Stock Based Compensation", which will result in compensation expense being recorded based on the fair value of the Options and other equity awards issued. SFAS No. 148 provides three possible transition methods for changing to the fair value method. We have elected to use the modified-prospective method. This method requires that we recognize stock-based employee compensation cost from the beginning of the fiscal year in which the recognition provisions are first applied as if the fair value method had been used to account for all employee awards granted, or settled in fiscal years beginning after December 15, 1994. The following table illustrates the effect on net income and earnings per share as if the fair value method was applied to all outstanding and unvested awards in each period presented (amounts in thousands, except per share data):

	2004	2003 (Restated)	2002 (Restated)
Net income available for Common Shares as reported	$ 4,026	$ 25,132	$ 31,887
Add: Stock-based compensation expense included in net income as reported	2,899	2,139	2,185
Deduct: Stock-based compensation expense determined under the fair value based method for all awards	(2,899)	(2,139)	(2,086)
Pro forma net income available for Common Shares	$ 4,026	$ 25,132	$ 31,986
Pro forma net income per Common Share - Basic	$ 0.18	$ 1.14	$ 1.48
Pro forma net income per Common Share - Fully Diluted	$ 0.17	$ 1.11	$ 1.44

NOTE 14 - STOCK OPTION PLAN AND STOCK GRANTS (CONTINUED)

Restricted Stock Grants

In 2002, the Company awarded Restricted Stock Grants for 69,750 shares of Common Stock to certain members of senior management of the Company. These Restricted Stock Grants vest over three years, but may be restricted for a period of up to ten years depending upon certain performance benchmarks tied to increases in funds from operations being met. The fair market value of these Restricted Stock Grants of approximately $2.2 million as of the date of grant was treated in 2002 as deferred compensation and amortized in accordance with their vesting.

In 2004, the Company awarded Restricted Stock Grants for 135,000 shares of Common Stock to certain members of senior management of the Company. These Restricted Stock Grants vest over three years, but may be restricted for a period of up to ten years depending upon certain performance benchmarks tied to increases in funds from operations being met. The fair market value of these Restricted Stock Grants was approximately $5.0 million as of the date of grant and is recorded as compensation expense and paid in capital over the three year vesting period.

In 2004, 2003 and 2002, the Company awarded Restricted Stock Grants for 40,000, 35,000 and 16,000 shares of Common Stock, respectively, to directors with a fair market value of approximately $1,386,000, $733,000 and $376,000 in 2004, 2003 and 2002, respectively.

The Company recognized compensation expense of approximately $2.7, $1.8 and $1.5 million related to Restricted Stock Grants in 2004, 2003 and 2002 respectively. The balance of unamortized deferred compensation as of December 31, 2004 and 2003 was approximately $0.2 and $0.5 million, respectively.

Stock Options

The fair value of each grant is estimated on the grant date using the Black-Scholes model. The following table includes the assumptions that were made and the estimated fair values:

ASSUMPTION	2004	2003	2002 (pro forma)
Dividend yield	5.9%	5.6%	6.3%
Risk-free interest rate	4.7%	3.5%	3.5%
Expected life	10 years	5 years	5 years
Expected volatility	16%	14%	19%
Estimated Fair Value of Options Granted	$ 57,000	$ 40,600	$ 37,432

NOTE 14 - STOCK OPTION PLAN AND STOCK GRANTS (CONTINUED)

In January 2004, approximately 1.2 million options were repriced in connection with the special dividend paid on January 16, 2004 (see Note 5). A summary of the Company's stock option activity, and related information for the years ended December 31, 2004, 2003 and 2002 follows:

	SHARES SUBJECT TO OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE
Balance at December 31, 2001	1,828,348	23.44
Options granted	20,000	33.55
Options exercised	(282,959)	20.48
Options canceled	(49,492)	24.94
Balance at December 31, 2002	1,515,897	24.08
Options granted	20,000	32.67
Options exercised	(302,526)	21.06
Options canceled	(9,437)	25.60
Balance at December 31, 2003	1,223,934	24.95
Options granted	1,212,367	17.28
Options exercised	(195,737)	15.47
Options canceled	(1,194,568)	25.04
Balance at December 31, 2004	1,045,996	17.74

The following table summarizes information regarding Options outstanding at December 31, 2004:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	OPTIONS	WEIGHTED AVERAGE OUTSTANDING CONTRACTUAL LIFE (IN YEARS)	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
$7.62 to $14.00	169,467	1.6	$11.88	169,467	$11.88
$15.69 to $18.99	680,475	4.4	$17.38	680,475	$17.38
$22.65 to $31.53	196,054	7.4	$24.06	176,052	$23.47
	1,045,996	4.5	$17.74	1,025,994	$17.51

As of December 31, 2004, 2003 and 2002, 1,942,025 shares, 2,119,152 shares, and 2,166,686 shares remained available for grant, respectively; of these 861,525 shares, 1,038,853 shares, and 1,073,853 shares, respectively, remained available for Restricted Stock Grants.

NOTE 15 - PREFERRED STOCK

The Company's Board of Directors is authorized under the Company's charter, without further stockholder approval, to issue, from time to time, in one or more series, 10,000,000 shares of $.01 par value preferred stock (the "Preferred Stock"), with specific rights, preferences and other attributes as the Board may determine, which may include preferences, powers and rights that are senior to the rights of holders of the Company's Common Stock. However, under certain circumstances, the issuance of preferred stock may require stockholder approval pursuant to the rules and regulations of The New York Stock Exchange. As of December 31, 2004 and 2003, no Preferred Stock was issued by the Company.

NOTE 16 - SAVINGS PLAN

The Company has a qualified retirement plan, with a salary deferral feature designed to qualify under Section 401 of the Code (the "401(k) Plan"), to cover its employees and those of its Subsidiaries, if any. The 401(k) Plan permits eligible employees of the Company and those of any Subsidiary to defer up to 19% of their eligible compensation on a pre-tax basis subject to certain maximum amounts. In addition, the Company will match dollar-for-dollar the participant's contribution up to 4% of the participant's eligible compensation.

In addition, amounts contributed by the Company will vest, on a prorated basis, according to the participant's vesting schedule. After five years of employment with the Company, the participants will be 100% vested for all amounts contributed by the Company. Additionally, a discretionary profit sharing component of the 401(k) Plan provides for a contribution to be made annually for each participant in an amount, if any, as determined by the Company. All employee contributions are 100% vested. The Company's contribution to the 401(k) Plan was approximately $545,271, $240,000, and $248,000, for the years ended December 31, 2004, 2003, and 2002, respectively.

The Company has established a supplemental executive retirement plan (the "SERP") to provide certain officers and directors an opportunity to defer a portion of their eligible compensation in order to save for retirement and for the education of their children. The SERP is restricted to investments in Company common shares, certain marketable securities that have been specifically approved, or cash equivalents. In accordance with EITF 97-14 "Accounting for Deferred Compensation Arrangements Where Amounts Earned Are Held in a Rabbi Trust and Invested", the deferred compensation liability represented in the SERP and the securities issued to fund such deferred compensation liability are consolidated by the Company on the balance sheet. Assets held in the SERP are included in other assets and are classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings. Company shares held in the SERP are classified in stockholders equity due to the inability of the Company to repurchase these shares.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

DEANZA SANTA CRUZ

The customers of DeAnza Santa Cruz Mobile Estates, a Property located in Santa Cruz, California, brought several actions opposing fees and charges in connection with water service at the Property. As a result of one action, the Company rebated approximately $36,000 to the customers. The DeAnza Santa Cruz Homeowners Association ("HOA") then proceeded to a jury trial alleging these "overcharges" entitled them to an award of punitive damages. In January 1999, a jury awarded the HOA $6.0 million in punitive damages. On December 21, 2001 the California Court of Appeal for the Sixth District reversed the $6.0 million punitive damage award, the related award of attorneys' fees, and, as a result, all post-judgment interest thereon, on the basis that punitive damages are not available as a remedy for a statutory violation of the California Mobilehome Residency Law ("MRL"). The decision of the appellate court left the HOA, the plaintiff in this matter, with the right to seek a new trial in which it must prove its entitlement to either the statutory penalty and attorneys' fees available under the MRL or punitive damages based on causes of action for fraud, misrepresentation or other tort. In order to resolve this matter, the Company accrued for and agreed to pay $201,000 to the HOA. This payment resolved the punitive damages claim. The HOA's attorney made a motion asking for an award of attorneys' fees and costs in the amount of approximately $1.5 million as a result of this resolution of the litigation. On April 2, 2003 the court awarded attorney's fees to the HOA's attorney in the amount of $593,000 and court costs of approximately $20,000. The Company appealed this award. On July 13, 2004, the California Court of Appeal affirmed the award of attorney's fees in favor of the HOA's attorney.

OTHER CALIFORNIA RENT CONTROL LITIGATION

As part of the Company's effort to realize the value of its Properties subject to rent control, the Company has initiated lawsuits against several municipalities in California. The Company's goal is to achieve a level of regulatory fairness in California's rent control jurisdictions, and in particular those jurisdictions that prohibit increasing rents to market upon turnover. This regulatory feature, called vacancy control, allows tenants to sell their homes for a premium representing the value of the future discounted rent-controlled rents. In the Company's view, such regulation results in a transfer of the value of the Company's stockholders' land, which would otherwise be reflected in market rents, to tenants

NOTE 17 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

upon the sales of their homes in the form of an inflated purchase price that cannot be attributed to the value of the home being sold. As a result, in the Company's view, the Company loses the value of its asset and the selling tenant leaves the Property with a windfall premium. The Company has discovered through the litigation process that certain municipalities considered condemning the Company's Properties at values well below the value of the underlying land. In the Company's view, a failure to articulate market rents for sites governed by restrictive rent control would put the Company at risk for condemnation or eminent domain proceedings based on artificially reduced rents. Such a physical taking, should it occur, could represent substantial lost value to stockholders. The Company is cognizant of the need for affordable housing in the jurisdictions, but asserts that restrictive rent regulation with vacancy control does not promote this purpose because the benefits of such regulation are fully capitalized into the prices of the homes sold. The Company estimates that the annual rent subsidy to tenants in these jurisdictions is approximately $15 million. In a more well balanced regulatory environment, the Company would receive market rents that would eliminate the subsidy and homes would trade at or near their intrinsic value.

In connection with such efforts, the Company announced it has entered into a settlement agreement with the City of Santa Cruz, California and that, pursuant to the settlement agreement, the City amended its rent control ordinance to exempt the Company's Property from rent control as long as the Company offers a long term lease which gives the Company the ability to increase rents to market upon turnover and bases annual rent increases on the CPI. The settlement agreement benefits the Company's stockholders by allowing them to receive the value of their investment in this Property through vacancy decontrol while preserving annual CPI based rent increases in this age restricted Property.

The Company has filed two lawsuits in Federal court against the City of San Rafael, challenging its rent control ordinance on constitutional grounds. The Company believes that one of those lawsuits was settled by the City agreeing to amend the ordinance to permit adjustments to market rent upon turnover. The City subsequently rejected the settlement agreement. The Court initially found the settlement agreement was binding on the City, but then reconsidered and determined to submit the claim of breach of the settlement agreement to a jury. In October 2002, the first case against the City went to trial, based on both breach of the settlement agreement and the constitutional claims. A jury found no breach of the settlement agreement; the Company then filed motions asking the Court to rule in its favor on that claim, notwithstanding the jury verdict. The Court has postponed decision on those motions and on the constitutional claims, pending a ruling on some property rights issues by the United States Supreme Court. In the event that the Court does not rule in favor of the Company on either the settlement agreement or the constitutional claims, then the Company has pending claims seeking a declaration that it can close the Property and convert it to another use.

The Company's efforts to achieve a balanced regulatory environment incentivize tenant groups to file lawsuits against the Company seeking large damage awards. The homeowners association at Contempo Marin ("CMHOA"), a 396 site Property in San Rafael, California, sued the Company in December 2000 over a prior settlement agreement on a capital expenditure pass-through after the Company sued the City of San Rafael in October 2000 alleging its rent control ordinance is unconstitutional. In the Contempo Marin case, the CMHOA prevailed on a motion for summary judgment on an issue that permits the Company to collect only $3.72 out of a monthly pass-through amount of $7.50 that the Company believes had been agreed to by the CMHOA in a settlement agreement. On May 23, 2004, the California Court of Appeal affirmed the trial court's order dismissing the Company's claims against the City of San Rafael. The trial court has set a trial date in the second quarter of 2005 on the CMHOA's remaining claims for damages. The Company intends to vigorously defend this matter. The Company believes that such lawsuits will be a consequence of the Company's efforts to change rent control since tenant groups actively desire to preserve the premium value of their homes in addition to the discounted rents provided by rent control. The Company has determined that its efforts to rebalance the regulatory environment despite the risk of litigation from tenant groups are necessary not only because of the $15 million annual subsidy to tenants, but also because of the condemnation risk.

Similarly, in June 2003, the Company won a judgment against the City of Santee in California Superior Court (case no. 777094). The effect of the judgment was to invalidate, on state law grounds, two (2) rent control ordinances the City of Santee had enforced against the Company and other property owners. However, the Court allowed the City to continue to enforce a rent control ordinance that predated the two invalid ordinances (the "prior ordinance"). As a result of the judgment the Company was entitled to collect a one-time rent increase based upon the difference in annual adjustments between the invalid ordinance(s) and the prior ordinances and to adjust its base rents to reflect what the Company could have charged had the prior ordinance been continually in effect. The City of Santee appealed the

NOTE 17 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

judgment. The court of appeal and California Supreme Court refused to stay enforcement of these rent adjustments pending appeal. After the City was unable to obtain a stay, the City and the tenant association each sued the Company in separate actions alleging the rent adjustments pursuant to the judgment violate the prior ordinance (Case Nos. GIE 020887 and GIE 020524). They seek to rescind the rent adjustments, refunds of amounts paid, and penalties and damages in these separate actions. On January 25, 2005, the California Court of Appeal reversed the judgment in part and affirmed it in part with a remand. The Court of Appeal affirmed that one ordinance was unlawfully adopted and therefore void and that the second ordinance contained unconstitutional provisions. However, the Court ruled the City had the authority to cure the issues with the first ordinance retroactively. On remand the trial court is directed to decide the issue of damages to the Company which the Company believes is consistent with the Company receiving the economic benefit of invalidating one of the ordinances and also consistent with the Company's position that it is entitled to market rent and not merely a higher amount of regulated rent. The Company will petition the Supreme Court of California for review of certain aspects of this decision. The Company intends to vigorously defend the two new lawsuits. In addition, the Company has sued the City of Santee in Federal court alleging all three of the ordinances are unconstitutional under the Fifth Amendment to the United States Constitution because they fail to substantially advance a legitimate state interest. Thus, it is the Company's position that the ordinances are subject to invalidation as a matter of law in the Federal court action. Separately, the Federal District Court granted the City's Motion for Summary Judgment in the Company's Federal Court lawsuit. This decision was based not on the merits, but on procedural grounds, including that the Company's claims were moot given its success in the state court case. The Company intends to appeal this ruling and believes the outcome will be affected by the cases currently before the Ninth Circuit and United States Supreme Court.

Moreover, in July 2004, the Ninth Circuit Court of Appeal decided the case of Cashman v. City of Cotati, a Property owner's challenge to the City's rent control ordinance, and stated that a rent control ordinance that does not on its face provide for a mechanism to prevent the capture of a premium is unconstitutional, as a matter of law, absent sufficient externalities rendering a premium unavailable. This reasoning supports the legal position the Company has put forth in its opposition to rent control in general and vacancy control in particular. The City of Cotati has petitioned the Ninth Circuit for rehearing and that petition is pending. In addition, in October 2004, the United States Supreme Court granted certiorari in State of Hawaii vs. Chevron USA, Inc., a Ninth Circuit Court of Appeal case that upholds the standard that a regulation must substantially advance a legitimate state purpose in order to be constitutionally viable. The case was argued before the United States Supreme Court on February 22, 2005. The ultimate outcome of these cases will guide the Company's continued efforts to realize the value of its Properties which are subject to rent control and the Company's efforts to achieve a level of regulatory fairness in rent control jurisdictions.

OTHER

The Company is involved in various other legal proceedings arising in the ordinary course of business. Additionally, in the ordinary course of business, the Company's operations are subject to audit by various taxing authorities. Management believes that all proceedings herein described or referred to, taken together, are not expected to have a material adverse impact on the Company. In addition, to the extent any such proceedings or audits relate to newly acquired Properties, the Company considers any potential indemnification obligations of sellers in favor of the Company.

NOTE 18 - QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is unaudited quarterly data for 2004 and 2003 (amounts in thousands, except for per share amounts):

2004	FIRST QUARTER 3/31	SECOND QUARTER 6/30	THIRD QUARTER 9/30	FOURTH QUARTER 12/31
	(Restated)	(Restated)	(Restated)	(Restated)
Total revenues (a)	$ 78,325	$ 84,932	$ 87,592	$ 94,618
Income from continuing operations (a)	$ 3,786	$ 245	$ (1,074)	$ (336)
Income from discontinued operations (a)	$ 724	$ 215	$ 210	$ 256
Net income (loss) available to common stockholders	$ 4,510	$ 460	$ (864)	$ (80)
Weighted average Common Shares outstanding - Basic	22,674	22,737	22,829	22,906
Weighted average Common Shares outstanding - Diluted	27,986	28,655	29,335	29,360
Net income (loss) per Common Share outstanding - Basic	$ 0.20	$ 0.02	$ (0.04)	$ (0.00)
Net income (loss) per Common Share outstanding - Diluted	$ 0.19	$ 0.02	$ (0.04)	$ (0.00)

(a) Amounts may differ from previously disclosed amounts due to reclassification of discontinued operations.

2003	FIRST QUARTER 3/31	SECOND QUARTER 6/30	THIRD QUARTER 9/30	FOURTH QUARTER 12/31
	(Restated)	(Restated)	(Restated)	(Restated)
Total revenues (a)	$ 62,531	$ 64,710	$ 66,783	$ 69,189
Income from continuing operations (a)	$ 6,400	$ 3,903	$ 3,834	$ (389)
Income from discontinued operations (a)	$ 863	$ 10,094	$ 752	$ (325)
Net income (loss) available to common stockholders	$ 7,263	$ 13,997	$ 4,586	$ (714)
Weighted average Common Shares outstanding - Basic	21,918	22,027	22,114	22,247
Weighted average Common Shares outstanding - Diluted	27,276	27,371	27,458	27,568
Net income (loss) per Common Share outstanding - Basic	$ 0.33	$ 0.64	$ 0.21	$ (0.03)
Net income (loss) per Common Share outstanding - Diluted	$ 0.32	$ 0.62	$ 0.20	$ (0.03)

(a) Amounts may differ from previously disclosed amounts due to reclassification of discontinued operations.

SCHEDULE II

EQUITY LIFESTYLE PROPERTIES, INC.
VALUATION AND QUALIFICATION ACCOUNTS
DECEMBER 31, 2004

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO INCOME	ADDITIONS CHARGED TO OTHER ACCOUNTS	DEDUCTIONS(1)	BALANCE AT END OF PERIOD
For the year ended December 31, 2002:					
Allowance for doubtful accounts.........	$ 300,000	$ 940,565	$ --	($540,565)	$ 700,000
For the year ended December 31, 2003:					
Allowance for doubtful accounts.........	$ 700,000	$ 820,822	$ --	($693,822)	$ 827,000
For the year ended December 31, 2004:					
Allowance for doubtful accounts.........	$ 827,000	$1,182,000	($ 145,000)	($834,000)	$ 1,030,000

(1) Deductions represent tenant receivables deemed uncollectible.

SCHEDULE III
EQUITY LIFESTYLE PROPERTIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)

				Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at Close of Period 12/31/04		
Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property	Land	Depreciable Property	Total
Apollo Village	Phoenix	AZ	3,997	932	3,219	0	578	932	3,797	4,729
Araby Acres	Yuma	AZ	3,222	1,440	4,345	0	12	1,440	4,357	5,797
The Highlands at Brentwood	Mesa	AZ	10,910	1,997	6,024	0	738	1,997	6,762	8,759
Cactus Gardens	Yuma	AZ	4,849	1,992	5,984	0	12	1,992	5,996	7,988
Carefree Manor	Phoenix	AZ	3,394	706	3,040	0	222	706	3,262	3,968
Casa del Sol #1	Peoria	AZ	10,629	2,215	6,467	0	1,235	2,215	7,702	9,917
Casa del Sol #2	Glendale	AZ	9,983	2,103	6,283	0	928	2,103	7,211	9,314
Casa del Sol #3	Glendale	AZ	11,015	2,450	7,452	0	375	2,450	7,827	10,277
Central Park	Phoenix	AZ	5,103	1,612	3,784	0	641	1,612	4,425	6,037
Countryside	Phoenix	AZ	3,737	2,056	6,241	0	206	2,056	6,447	8,503
Desert Paradise	Yuma	AZ	1,452	666	2,011	0	4	666	2,015	2,681
Desert Skies	Phoenix	AZ	5,046	792	3,126	0	296	792	3,422	4,214
Fairview Manor	Tucson	AZ	5,048	1,674	4,708	0	1,113	1,674	5,821	7,495
Foothill	Yuma	AZ	1,350	459	1,402	0	16	459	1,418	1,877
Golden Sun	Scottsdale	AZ	2,976	1,678	5,049	0	48	1,678	5,097	6,775
Hacienda De Valencia	Mesa	AZ	6,063	833	2,701	0	2,123	833	4,824	5,657
Monte Vista	Mesa	AZ	22,844	11,402	34,355	0	157	11,402	34,512	45,914
Palm Shadows	Glendale	AZ	8,471	1,400	4,218	0	391	1,400	4,609	6,009
Paradise	Sun City	AZ	19,813	6,414	19,263	0	56	6,414	19,319	25,733
Sedona Shadows	Sedona	AZ	2,465	1,096	3,431	0	538	1,096	3,969	5,065
Suni Sands	Yuma	AZ	3,172	1,249	3,759	0	7	1,249	3,766	5,015
Sunrise Heights	Phoenix	AZ	5,636	1,000	3,016	0	413	1,000	3,429	4,429
The Mark	Mesa	AZ	8,826	1,354	4,660	6	846	1,360	5,506	6,866
The Meadows	Tempe	AZ	12,436	2,613	7,887	0	1,103	2,613	8,990	11,603
Viewpoint	Mesa	AZ	43,703	24,890	56,340	0	99	24,890	56,439	81,329
Whispering Palms	Phoenix	AZ	3,219	670	2,141	0	182	670	2,323	2,993
California Hawaiian	San Jose	CA	26,968	5,825	17,755	0	1,581	5,825	19,336	25,161
Colony Park	Ceres	CA	5,826	890	2,837	0	319	890	3,156	4,046
Concord Cascade	Pacheco	CA	5,411	985	3,016	0	1,047	985	4,063	5,048
Contempo Marin	San Rafael	CA	25,233	4,787	16,379	0	2,376	4,787	18,755	23,542
Coralwood	Modesto	CA	6,200	0	5,047	0	276	0	5,323	5,323
Date Palm Country Club	Cathedral City	CA	15,194	4,138	14,064	-23	3,416	4,115	17,480	21,595
Date Palm	Cathedral City	CA	0	0	216	0	47	0	263	263
Four Seasons	Fresno	CA	0	756	2,348	0	245	756	2,593	3,349
Laguna Lake	San Luis Obispo	CA	4,916	2,845	6,520	0	252	2,845	6,772	9,617

Real Estate	Accumulated Depreciation	Date of Acquisition
Apollo Village	(1,302)	1994
Araby Acres	(158)	2003
The Highlands at Brentwood	(2,566)	1993
Cactus Gardens	(102)	2004
Carefree Manor	(803)	1998
Casa del Sol #1	(1,587)	1996
Casa del Sol #2	(1,458)	1996
Casa del Sol #3	(1,722)	1998
Central Park	(2,947)	1983
Countryside	(510)	2002
Desert Paradise	(63)	2004
Desert Skies	(809)	1998
Fairview Manor	(1,352)	1998
Foothill	(52)	2003
Golden Sun	(407)	2002
Hacienda De Valencia	(2,475)	1984
Monte Vista	(766)	2004
Palm Shadows	(1,837)	1993
Paradise	(592)	2004
Sedona Shadows	(979)	1997
Suni Sands	(116)	2004
Sunrise Heights	(1,227)	1994
The Mark	(1,892)	1994
The Meadows	(3,091)	1994
Viewpoint	(1,096)	2004
Whispering Palms	(580)	1998
California Hawaiian	(4,884)	1997
Colony Park	(899)	1998
Concord Cascade	(2,467)	1983
Contempo Marin	(6,419)	1994
Coralwood	(1,350)	1997
Date Palm Country Club	(5,722)	1994
Date Palm	(100)	1994
Four Seasons	(665)	1997
Laguna Lake	(1,693)	1998

SCHEDULE III
EQUITY LIFESTYLE PROPERTIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)

				Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at Close of Period 12/31/04		
Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property	Land	Depreciable Property	Total
Lamplighter	Spring Valley	CA	3,761	633	2,201	0	675	633	2,876	3,509
Las Palmas	Rialto	CA	3,807	1,295	3,866	0	20	1,295	3,886	5,181
Meadowbrook	Santee	CA	0	4,345	12,528	0	1,522	4,345	14,050	18,395
Monte del Lago	Castroville	CA	7,673	3,150	9,469	0	1,464	3,150	10,933	14,083
Quail Meadows	Riverbank	CA	5,280	1,155	3,469	0	293	1,155	3,762	4,917
Nicholson Plaza	San Jose	CA	0	0	4,512	0	72	0	4,584	4,584
Pacific Dunes Ranch	California Central Coast	CA	6,025	1,940	5,632	0	27	1,940	5,659	7,599
Parque La Quinta	Rialto	CA	5,105	1,799	5,450	0	-45	1,799	5,405	7,204
Rancho Mesa	El Cajon	CA	9,600	2,130	6,389	0	249	2,130	6,638	8,768
Rancho Valley	El Cajon	CA	3,624	685	1,902	0	794	685	2,696	3,381
Royal Holiday	Hemet	CA	0	778	2,643	0	374	778	3,017	3,795
Royal Oaks	Visalia	CA	0	602	1,921	0	281	602	2,202	2,804
DeAnza Santa Cruz	Santa Cruz	CA	6,871	2,103	7,201	0	317	2,103	7,518	9,621
Santiago Estates	Sylmar	CA	16,205	3,562	10,767	0	769	3,562	11,536	15,098
Sea Oaks	Los Osos	CA	0	871	2,703	0	267	871	2,970	3,841
Sunshadow	San Jose	CA	0	0	5,707	0	137	0	5,844	5,844
Tahoe Valley Campground	Lake Tahoe	CA	2,246	1,357	4,071	0	12	1,357	4,083	5,440
Village of Four Seasons	San Jose	CA	15,332	5,229	15,714	0	18	5,229	15,732	20,961
Westwinds (4 properties)	San Jose	CA	0	0	17,616	0	5,116	0	22,732	22,732
Bear Creek	Sheridan	CO	4,880	1,100	3,359	0	248	1,100	3,607	4,707
Cimarron	Broomfield	CO	4,541	863	2,790	0	584	863	3,374	4,237
Golden Terrace	Golden	CO	4,246	826	2,415	0	720	826	3,135	3,961
Golden Terrace South	Golden	CO	2,400	750	2,265	0	617	750	2,882	3,632
Golden Terrace West	Golden	CO	8,328	1,694	5,065	0	1011	1,694	6,076	7,770
Hillcrest Village	Aurora	CO	10,504	1,912	5,202	289	2,397	2,201	7,599	9,800
Holiday Hills	Denver	CO	14,746	2,159	7,780	0	3,819	2,159	11,599	13,758
Holiday Village CO	Co. Springs	CO	3,471	567	1,759	0	912	567	2,671	3,238
Pueblo Grande	Pueblo	CO	1,867	241	1,069	0	432	241	1,501	1,742
Woodland Hills	Denver	CO	7,390	1,928	4,408	0	2,407	1,928	6,815	8,743
Aspen Meadows	Rehoboth Beach	DE	5,620	1,148	3,460	0	338	1,148	3,798	4,946
Camelot Meadows	Rehoboth Beach	DE	7,304	527	2,058	1,251	3,719	1,778	5,777	7,555
Mariners Cove	Millsboro	DE	16,452	990	2,971	0	3,909	990	6,880	7,870
McNicol	Rehoboth Beach	DE	2,710	563	1,710	0	72	563	1,782	2,345
Sweetbriar	Rehoboth Beach	DE	3,040	498	1,527	0	377	498	1,904	2,402
Waterford Estates	Bear	DE	30,954	5,250	16,202	0	614	5,250	16,816	22,066
Whispering Pines	Lewes	DE	9,871	1,536	4,609	0	1005	1,536	5,614	7,150

Real Estate	Accumulated Depreciation	Date of Acquisition
Lamplighter	(1,853)	1983
Las Palmas	(76)	2004
Meadowbrook	(3,073)	1998
Monte del Lago	(2,612)	1997
Quail Meadows	(844)	1998
Nicholson Plaza	(1,126)	1997
Pacific Dunes Ranch	(178)	2004
Parque La Quinta	(197)	2004
Rancho Mesa	(1,453)	1998
Rancho Valley	(1,633)	1983
Royal Holiday	(606)	1998
Royal Oaks	(554)	1997
DeAnza Santa Cruz	(2,553)	1994
Santiago Estates	(2,710)	1998
Sea Oaks	(720)	1997
Sunshadow	(1,464)	1997
Tahoe Valley Campground	(124)	2004
Village of Four Seasons	(349)	2004
Westwinds (4 properties)	(5,844)	1997
Bear Creek	(833)	1998
Cimarron	(2,227)	1983
Golden Terrace	(1,868)	1983
Golden Terrace South	(717)	1997
Golden Terrace West	(3,399)	1986
Hillcrest Village	(4,843)	1983
Holiday Hills	(7,158)	1983
Holiday Village CO	(1,583)	1983
Pueblo Grande	(968)	1983
Woodland Hills	(2,522)	1994
Aspen Meadows	(894)	1998
Camelot Meadows	(1,318)	1998
Mariners Cove	(2,868)	1987
McNicol	(410)	1998
Sweetbriar	(496)	1998
Waterford Estates	(3,037)	1996

Whispering Pines	(2,844)	1998

SCHEDULE III
EQUITY LIFESTYLE PROPERTIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)

				Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at Close of Period 12/31/04		
Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property	Land	Depreciable Property	Total
Maralago Cay	Lantana	FL	21,600	5,325	15,420	0	3,073	5,325	18,493	23,818
Barrington Hills	Port Richey	FL	3,220	1,145	3,437	0	0	1,145	3,437	4,582
Bay Indies	Venice	FL	43,662	10,483	31,559	10	3,482	10,493	35,041	45,534
Bay Lake Estates	Nokomis	FL	3,807	990	3,390	0	951	990	4,341	5,331
Breezy Hill	Pompano Beach	FL	10,065	5,510	16,555	0	112	5,510	16,667	22,177
Buccaneer	N. Ft. Myers	FL	14,140	4,207	14,410	0	1,183	4,207	15,593	19,800
Bulow Village Resort	Flagler Beach	FL	0	0	228	0	56	0	284	284
Bulow Village	Flagler Beach	FL	10,268	3,637	949	0	5,458	3,637	6,407	10,044
Carefree Cove	Fort Lauderdale	FL	4,777	1,741	5,170	0	79	1,741	5,249	6,990
Carriage Cove	Daytona Beach	FL	8,010	2,914	8,682	0	788	2,914	9,470	12,384
Coachwood	Leesburg	FL	4,238	1,607	4,822	0	19	1,607	4,841	6,448
Coral Cay	Margate	FL	20,874	5,890	20,211	0	3,129	5,890	23,340	29,230
Coquina	St Augustine	FL	0	5,286	5,545	0	8,856	5,286	14,401	19,687
Meadows at Countrywood	Plant City	FL	18,273	4,514	13,175	0	3,869	4,514	17,044	21,558
Country Place	New Port Richey	FL	8,346	663	0	18	7,106	681	7,106	7,787
Country Side North	Vero Beach	FL	17,328	3,711	11,133	0	1,663	3,711	12,796	16,507
Crystal Isles	Crystal River	FL	2,832	926	2,787	0	5	926	2,792	3,718
Down Yonder	Largo	FL	7,707	2,652	7,981	0	69	2,652	8,050	10,702
East Bay Oaks	Largo	FL	5,493	1,240	3,322	0	563	1,240	3,885	5,125
Eldorado Village	Largo	FL	3,946	778	2,341	0	563	778	2,904	3,682
Fort Myers Beach Resort	Fort Myers Beach	FL	4,428	1,493	4,480	0	1	1,493	4,481	5,974
Glen Ellen	Clearwater	FL	2,395	627	1,882	0	26	627	1,908	2,535
Grand Island	Grand Island	FL	0	1,723	5,208	125	2,606	1,848	7,814	9,662
Gulf Air Resort	Fort Myers Beach	FL	4,021	1,609	4,830	0	13	1,609	4,843	6,452
Gulf View	Punta Gorda	FL	1,698	717	2,158	0	3	717	2,161	2,878
Hacienda Village	New Port Richey	FL	9,842	4,362	13,088	0	454	4,362	13,542	17,904
Harbor Lakes	Port Charlotte	FL	8,997	3,384	10,154	0	17	3,384	10,171	13,555
Harbor View	New Port Richey	FL	7,932	4,045	12,146	0	54	4,045	12,200	16,245
Heritage Village	Vero Beach	FL	13,520	2,403	7,259	0	690	2,403	7,949	10,352
Highland Wood	Pompano Beach	FL	2,358	1,043	3,130	0	10	1,043	3,140	4,183
Hillcrest	Clearwater	FL	4,236	1,278	3,928	0	750	1,278	4,678	5,956
Holiday Ranch	Largo	FL	3,785	925	2,866	0	227	925	3,093	4,018
Holiday Village FL	Vero Beach	FL	0	350	1,374	0	139	350	1,513	1,863
Holiday Village	Ormond Beach	FL	6,972	2,610	7,837	0	121	2,610	7,958	10,568
Indian Oaks	Rockledge	FL	4,389	1,089	3,376	0	728	1,089	4,104	5,193
Lake Fairways	N. Ft. Myers	FL	30,460	6,075	18,134	35	1,443	6,110	19,577	25,687

Real Estate	Accumulated Depreciation	Date of Acquisition
Maralago Cay	(4,258)	1997
Barrington Hills	(105)	2004
Bay Indies	(12,148)	1994
Bay Lake Estates	(1,455)	1994
Breezy Hill	(1,294)	2002
Buccaneer	(5,350)	1994
Bulow Village Resort	(51)	2001
Bulow Village	(1,391)	1994
Carefree Cove	(119)	2004
Carriage Cove	(2,292)	1998
Coachwood	(148)	2004
Coral Cay	(7,538)	1994
Coquina	(1,571)	1999
Meadows at Countrywood	(3,540)	1998
Country Place	(2,834)	1986
Country Side North	(3,154)	1998
Crystal Isles	(85)	2004
Down Yonder	(631)	1998
East Bay Oaks	(2,579)	1983
Eldorado Village	(1,850)	1983
Fort Myers Beach Resort	(137)	2004
Glen Ellen	(135)	2002
Grand Island	(868)	2001
Gulf Air Resort	(148)	2004
Gulf View	(66)	2004
Hacienda Village	(922)	2002
Harbor Lakes	(310)	2004
Harbor View	(954)	2002
Heritage Village	(2,769)	1994
Highland Wood	(243)	2002
Hillcrest	(1,195)	1998
Holiday Ranch	(747)	1998
Holiday Village FL	(389)	1998
Holiday Village	(621)	2002
Indian Oaks	(1,051)	1998
Lake Fairways	(6,537)	1994

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Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property	Land	Depreciable Property	Total
Lake Haven	Dunedin	FL	8,109	1,135	4,047	0	2,384	1,135	6,431	7,566
Lake Magic	Orlando	FL	2,818	1,595	4,793	0	45	1,595	4,838	6,433
Lakewood Village	Melbourne	FL	9,818	1,862	5,627	0	716	1,862	6,343	8,205
Lazy Lakes	Florida Keys	FL	2,048	816	2,449	0	3	816	2,452	3,268
Lighthouse Pointe	Port Orange	FL	12,535	2,446	7,483	23	894	2,469	8,377	10,846
Manatee	Sarasota North	FL	5,244	2,300	6,903	0	20	2,300	6,923	9,223
Mid-Florida Lakes	Leesburg	FL	22,639	5,997	20,635	0	5,070	5,997	25,705	31,702
Oak Bend	Ocala	FL	5,772	850	2,572	0	866	850	3,438	4,288
Park City West	Fort Lauderdale	FL	7,613	4,187	12,561	0	11	4,187	12,572	16,759
Pasco	Tampa North	FL	3,072	1,494	4,484	0	2	1,494	4,486	5,980
Pickwick	Port Orange	FL	10,280	2,803	8,870	0	490	2,803	9,360	12,163
Pine Lakes	N. Ft. Myers	FL	31,055	6,306	14,579	21	5,447	6,327	20,026	26,353
Pioneer Village	N. Ft. Myers	FL	10,379	4,116	12,353	0	39	4,116	12,392	16,508
Royal Coachman	Nokomis	FL	15,140	5,321	15,978	0	19	5,321	15,997	21,318
Shangri La	Largo	FL	4,496	1,730	5,200	0	36	1,730	5,236	6,966
Sherwood Forest	Kissimmee	FL	27,103	4,852	14,596	0	3,775	4,852	18,371	23,223
Sherwood Forest Resort	Kissimmee	FL	0	2,870	3,621	568	1,409	3,438	5,030	8,468
Silk Oak	Clearwater	FL	3,771	1,670	5,028	0	65	1,670	5,093	6,763
Silver Dollar	Odessa	FL	9,171	4,107	12,431	0	67	4,107	12,498	16,605
Sixth Ave.	Zephryhills	FL	2,260	839	2,518	0	8	839	2,526	3,365
Southernaire	Mt. Dora	FL	2,092	798	2,395	0	10	798	2,405	3,203
Southern Palms	Eustis	FL	5,652	2,169	5,884	0	1,531	2,169	7,415	9,584
Spanish Oaks	Ocala	FL	7,008	2,250	6,922	0	877	2,250	7,799	10,049
Sunshine Key	Florida Keys	FL	16,522	5,273	15,822	0	23	5,273	15,845	21,118
Sunshine Holiday	Daytona Beach	FL	6,667	2,001	6,004	0	15	2,001	6,019	8,020
Sunshine Holiday RV & MHP	Fort Lauderdale	FL	8,509	3,099	9,286	0	18	3,099	9,304	12,403
Sunshine Travel	Vero Beach	FL	4,404	1,603	4,813	0	31	1,603	4,844	6,447
Oaks at Countrywood	Plant City	FL	1,300	1,111	2,513	-265	1,475	846	3,988	4,834
Terra Ceia	Palmetto	FL	2,528	967	2,905	0	15	967	2,920	3,887
The Heritage	N. Ft. Myers	FL	9,663	1,438	4,371	346	3,317	1,784	7,688	9,472
The Lakes at Countrywood	Plant City	FL	9,712	2,377	7,085	0	862	2,377	7,947	10,324
The Meadows, FL	Palm Beach Gardens	FL	6,049	3,229	9,870	0	1,145	3,229	11,015	14,244
Toby's	Arcadia	FL	3,391	1,093	3,280	0	17	1,093	3,297	4,390
Topics RV	Spring Hill	FL	2,235	853	2,568	0	2	853	2,570	3,423
Tropical Palms	Kissimmee	FL	19,595	5,677	17,071	0	127	5,677	17,198	22,875
Vacation Village	St. Petersburg	FL	2,528	1,315	3,946	0	3	1,315	3,949	5,264

Real Estate	Accumulated Depreciation	Date of Acquisition
Lake Haven	(3,292)	1983
Lake Magic	(146)	2004
Lakewood Village	(2,212)	1994
Lazy Lakes	(75)	2004
Lighthouse Pointe	(2,033)	1998
Manatee	(211)	2004
Mid-Florida Lakes	(8,117)	1994
Oak Bend	(1,243)	1993
Park City West	(384)	2004
Pasco	(137)	2004
Pickwick	(2,160)	1998
Pine Lakes	(6,580)	1994
Pioneer Village	(377)	2004
Royal Coachman	(488)	2004
Shangri La	(159)	2004
Sherwood Forest	(4,055)	1998
Sherwood Forest Resort	(1,101)	1998
Silk Oak	(355)	2002
Silver Dollar	(376)	2004
Sixth Ave.	(91)	2004
Southernaire	(74)	2004
Southern Palms	(1,690)	1998
Spanish Oaks	(2,834)	1993
Sunshine Key	(483)	2004
Sunshine Holiday	(183)	2004
Sunshine Holiday RV & MHP	(180)	2004
Sunshine Travel	(147)	2004
Oaks at Countrywood	(698)	1998
Terra Ceia	(90)	2004
The Heritage	(2,475)	1993
The Lakes at Countrywood	(1,049)	2001
The Meadows, FL	(2,089)	1999
Toby's	(120)	2003
Topics RV	(79)	2004
Tropical Palms	(500)	2004
Vacation Village	(121)	2004

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Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property	Land	Depreciable Property	Total
Windmill Manor	Bradenton	FL	7,958	2,153	6,125	0	1,137	2,153	7,262	9,415
Windmill Village - Ft. Myers	N. Ft. Myers	FL	8,700	1,417	5,440	0	1,260	1,417	6,700	8,117
Winds of St. Armands North (fka Windmill North)	Sarasota	FL	8,842	1,523	5,063	0	1,663	1,523	6,726	8,249
Winds of St. Armands South (fka Windmill South)	Sarasota	FL	5,464	1,106	3,162	0	830	1,106	3,992	5,098
Five Seasons	Cedar Rapids	IA	0	1,053	3,436	0	679	1,053	4,115	5,168
Holiday Village, IA	Sioux City	IA	0	313	3,744	0	520	313	4,264	4,577
Golf Vistas	Monee	IL	14,577	2,843	4,719	0	5,948	2,843	10,667	13,510
O'Connell's	Amboy	IL	4,955	1,658	4,974	0	148	1,658	5,122	6,780
Willow Lake Estates	Elgin	IL	22,129	6,138	21,033	0	3,816	6,138	24,849	30,987
Forest Oaks (fka Burns Harbor)	Chesterton	IN	0	916	2,909	0	1,740	916	4,649	5,565
Lakeside	New Carlisle	IN	0	426	1,281	0	12	426	1,293	1,719
Oak Tree Village	Portage	IN	4,476	0	0	569	3,607	569	3,607	4,176
Windsong	Indianapolis	IN	0	1,482	4,480	0	192	1,482	4,672	6,154
Creekside	Wyoming	MI	3,760	1,109	3,646	0	113	1,109	3,759	4,868
Casa Village	Billings	MT	11,040	1,011	3,109	157	3,471	1,168	6,580	7,748
Waterway RV Resort	Cedar Point	NC	6,226	2,392	7,185	0	3	2,392	7,188	9,580
Goose Creek Resort	Newport	NC	12,491	4,612	13,848	0	814	4,612	14,662	19,274
Twin Lakes	Chocowinity	NC	3,739	1,719	3,361	0	19	1,719	3,380	5,099
Del Rey	Albuquerque	NM	0	1,926	5,800	0	727	1,926	6,527	8,453
Bonanza	Las Vegas	NV	4,861	908	2,643	0	984	908	3,627	4,535
Boulder Cascade	Las Vegas	NV	8,871	2,995	9,020	0	1,136	2,995	10,156	13,151
Cabana	Las Vegas	NV	9,245	2,648	7,989	0	301	2,648	8,290	10,938
Flamingo West	Las Vegas	NV	10,647	1,730	5,266	0	1,273	1,730	6,539	8,269
Villa Borega	Las Vegas	NV	7,011	2,896	8,774	0	592	2,896	9,366	12,262
Greenwood Village	Manorville	NY	17,468	3,667	9,414	484	3,542	4,151	12,956	17,107
Falcon Wood Village	Eugene	OR	5,200	1,112	3,426	0	213	1,112	3,639	4,751
Quail Hollow	Fairview	OR	0	0	3,249	0	226	0	3,475	3,475
Shadowbrook	Clackamas	OR	6,320	1,197	3,693	0	165	1,197	3,858	5,055
Mt. Hood Village	Welches	OR	0	1,817	5,733	0	(302)	1,817	5,431	7,248
Green Acres	Breinigsville	PA	13,908	2,680	7,479	0	2,817	2,680	10,296	12,976
Spring Gulch	New Holland	PA	4,819	1,593	4,795	0	6	1,593	4,801	6,394
Country Sunshine	Weslaco	TX	2,266	627	1,881	0	5	627	1,886	2,513
Fun n Sun	San Benito	TX	0	2,533	0	417	9,828	2,950	9,828	12,778
Lakewood	Harlingen	TX	1,227	325	979	0	2	325	981	1,306

Real Estate	Accumulated Depreciation	Date of Acquisition
Windmill Manor	(1,603)	1998
Windmill Village - Ft. Myers	(4,379)	1983
Winds of St. Armands North (fka Windmill North)	(3,936)	1983
Winds of St. Armands South (fka Windmill South)	(2,443)	1983
Five Seasons	(1,222)	1998
Holiday Village, IA	(2,553)	1986
Golf Vistas	(2,126)	1997
O'Connell's	(173)	2004
Willow Lake Estates	(8,048)	1994
Forest Oaks (fka Burns Harbor)	(1,912)	1993
Lakeside	(40)	2004
Oak Tree Village	(1,772)	1987
Windsong	(1,278)	1998
Creekside	(896)	1998
Casa Village	(3,130)	1983
Waterway RV Resort	(221)	2004
Goose Creek Resort	(437)	2004
Twin Lakes	(105)	2004
Del Rey	(2,602)	1993
Bonanza	(2,238)	1983
Boulder Cascade	(2,315)	1998
Cabana	(2,936)	1994
Flamingo West	(2,092)	1994
Villa Borega	(2,266)	1997
Greenwood Village	(2,609)	1998
Falcon Wood Village	(902)	1997
Quail Hollow	(861)	1997
Shadowbrook	(1,004)	1997
Mt. Hood Village	(564)	2002
Green Acres	(5,077)	1988
Spring Gulch	(163)	2004
Country Sunshine	(57)	2004
Fun n Sun	(2,123)	1998
Lakewood	(30)	2004

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Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property	Land	Depreciable Property	Total
Paradise Park	Rio Grande Valley	TX	5,430	1,568	4,705	0	4	1,568	4,709	6,277
Paradise South	Mercedes	TX	1,619	448	1,345	0	5	448	1,350	1,798
Southern Comfort	Weslaco	TX	2,590	1,108	3,323	0	2	1,108	3,325	4,433
Sunshine RV	Harlingen	TX	4,792	1,494	4,484	0	3	1,494	4,487	5,981
Tropic Winds	Harlingen	TX	0	1,221	3,809	0	101	1,221	3,910	5,131
All Seasons	Salt Lake City	UT	3,491	510	1,623	0	211	510	1,834	2,344
Westwood Village	Farr West	UT	7,493	1,346	4,179	0	1,163	1,346	5,342	6,688
Meadows of Chantilly	Chantilly	VA	27,494	5,430	16,440	0	3,781	5,430	20,221	25,651
Kloshe Illahee	Federal Way	WA	6,084	2,408	7,286	0	277	2,408	7,563	9,971
Caledonia	Caledonia	WI	0	376	1,127	0	0	376	1,127	1,503
Freemont	Freemont	WI	4,300	1,432	4,296	0	0	1,432	4,296	5,728
Yukon Trails	Lyndon Station	WI	0	547	1,629	0	13	547	1,642	2,189
Thousand Trails			0	48,537	113,253	0	0	48,537	113,253	161,790
Realty Systems, Inc.			0	0	0	0	4,632	0	4,632	4,632
Management Business			0	0	436	0	9,424	0	9,860	9,860
			1,417,251	$466,556	$ 1,361,519	$4,031	$ 203,684	$470,587	$ 1,565,203	$2,035,790

Real Estate	Accumulated Depreciation	Date of Acquisition
Paradise Park	(144)	2004
Paradise South	(41)	2004
Southern Comfort	(102)	2004
Sunshine RV	(137)	2004
Tropic Winds	(329)	2002
All Seasons	(491)	1997
Westwood Village	(1,369)	1997
Meadows of Chantilly	(6,764)	1994
Kloshe Illahee	(1,846)	1997
Caledonia	0	2004
Freemont	0	2004
Yukon Trails	(10)	2004
Thousand Trails	(629)	2004
Realty Systems, Inc.	(2)	2002
Management Business	(10,359)	1990
	($322,867)	

NOTES:

(1) For depreciable property, the Company uses a 30-year estimated life for buildings acquired and structural and land improvements, a ten-to-fifteen year estimated life for building upgrades and a three-to-seven year estimated life for furniture and fixtures.

(2) The schedule excludes Properties in which the Company has a non-controlling joint venture interest and accounts for using the equity method of accounting.

(3) The balance of furniture and fixtures included in the total amounts was approximately $21.3 million as of December 31, 2004.

(4) The aggregate cost of land and depreciable property for Federal income tax purposes was approximately $2.0 billion, as of December 31, 2004.

(5) All Properties were acquired, except for Country Place Village, which was constructed.

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The changes in total real estate for the years ended December 31, 2004, 2003 and 2002 were as follows:

	2004	2003	2002
Balance, beginning of year	$1,309,705	$1,296,007	$1,238,138
Acquisitions (1)	702,538	12,116	107,138
Improvements	27,082	15,569	24,491
Dispositions and other	(3,535)	(13,987)	(73,760)
Balance, end of year	$2,035,790	$1,309,705	$1,296,007

(1) Acquisitions for the year ended December 31, 2004 include the non-cash assumption by the Company of $347 million of mortgage debt.

The changes in accumulated depreciation for the years ended December 31, 2004, 2003 and 2002 were as follows:

	2004	2003	2002
Balance, beginning of year	$272,497	$238,098	$211,878
Depreciation expense	51,703	39,409	37,188
Dispositions and other	(1,333)	(5,010)	(10,968)
Balance, end of year	$322,867	$272,497	$238,098