
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: May 13, 2014
(Date of earliest event reported)

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

Maryland
(State or other jurisdiction of
incorporation or organization)

1-11718
(Commission File No.)

36-3857664
(IRS Employer Identification Number)

Two North Riverside Plaza, Chicago, Illinois
(Address of principal executive offices)

60606
(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 (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement material pursuant to Rule 14a-14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement material pursuant to Rule 13e-4(c) under the Exchange Act (17 CFE 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Compensatory Arrangements of Certain Officers.

At our Annual Meeting on May 13, 2014 (the “Annual Meeting”), the stockholders of Equity LifeStyle Properties, Inc. (referred to herein as “we,” “us,” and “our”) approved our 2014 Equity Incentive Plan (the “Plan”) pursuant to which we may grant equity incentive compensation to our directors, executive officers and other eligible participants. A total of 3,750,000 shares of common stock are reserved for grant under the Plan. The types of awards that may be granted under the Plan include incentive and non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, and other forms of equity-based compensation. The Plan will expire on May 13, 2024.

A brief description of the Plan is included as part of the Company’s Proxy Statement for the Annual Meeting (the “Proxy Statement”), which was filed with the Securities and Exchange Commission on March 24, 2014. The descriptions of the Plan contained herein and in the Proxy Statement are qualified in their entirety by reference to the full text of the Plan, a copy of which is attached to this Report as an Exhibit.

On May 12, 2014, the Compensation, Nominating and Corporate Governance Committee of our Board of Directors (the “Compensation Committee”) approved a Form of Restricted Stock Award Agreement (the “Restricted Stock Award”) and a Form of Option Award Agreement (the “Option Award”) pursuant to the authority set forth in the Plan, subject to approval of the Plan by our stockholders at the Annual Meeting. Pursuant to the Restricted Stock Award, the Compensation Committee may grant shares of common stock to our directors, executive officers and other eligible participants subject to vesting conditions. The shares automatically vest in the event of a Change in Control (as defined in the Plan) occurring prior to a Termination of Service (as defined in the Plan) or in the event that the Grantee has a Termination of Service by reason of death or Disability (as defined in the Plan). Except as provided in the previous sentence, unvested shares will be forfeited upon a Termination of Service. Pursuant to the Option Award, the Compensation Committee may grant nonqualified options to purchase shares of common stock to our directors, executive officers and other eligible participants subject to vesting conditions. The options automatically vest in the event of a Change in Control occurring prior to a Termination of Service or in the event that the Grantee has a Termination of Service by reason of death or Disability. Except as provided in the previous sentence, unvested options will be forfeited upon a Termination of Service. Vested options may be exercised during the 90-day period following the Termination of Service (other than due to death or Disability), or if earlier, the expiration of the term of the option. Upon a Termination of Service on account of death or Disability, vested options may be exercised until the earlier of 12 months from the date of the Termination of Service, or the expiration of the term of the option.

This summary of the Restricted Stock Award and the Option Award is qualified in its entirety by the specific language of the Form of Restricted Share Award Agreement for the Plan and the Form of Option Award Agreement for the Plan, which are filed as Exhibits to this Report.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The information contained in the attached exhibit is unaudited and should be read in conjunction with the Registrant's annual and quarterly reports filed with the Securities and Exchange Commission.

- 10.1 Equity LifeStyle Properties, Inc. 2014 Equity Incentive Plan.
- 10.2 Form of Restricted Share Award Agreement for the Plan.
- 10.3 Form of Option Award Agreement for the Plan.

This report 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,” “project,” “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 and may include, without limitation, information regarding our expectations, goals or intentions regarding the future, and the expected effect of our recent acquisitions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, including, but not limited to:

- our ability to control costs, real estate market conditions, the actual rate of decline in customers, the actual use of sites by customers and our success in acquiring new customers at our properties (including those that we may acquire);
- our ability to maintain historical or increase future rental rates and occupancy with respect to properties currently

owned or that we may acquire;

- our ability to retain and attract customers renewing, upgrading and entering right-to-use contracts;
- our assumptions about rental and home sales markets;
- our assumptions and guidance concerning 2014 estimated net income, FFO and Normalized FFO;
- our ability to manage counterparty risk;
- in the age-qualified properties, home sales results could be impacted by the ability of potential homebuyers to sell their existing residences as well as by financial, credit and capital markets volatility;
- 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;
- impact of government intervention to stabilize site-built single family housing and not manufactured housing;
- effective integration of recent acquisitions and our estimates regarding the future performance of recent acquisitions;
- the completion of future transactions in their entirety and, if any, and timing and effective integration with respect thereto;
- unanticipated costs or unforeseen liabilities associated with recent acquisitions;
- ability to obtain financing or refinance existing debt on favorable terms or at all;
- the effect of interest rates;
- the dilutive effects of issuing additional securities;
- the effect of accounting for the entry of contracts with customers representing a right-to-use the Properties under the Codification Topic “Revenue Recognition;”
- the outcome of the case currently pending in the California Superior Court for Santa Clara County, Case No. 109CV140751, involving our California Hawaiian manufactured home property including any post-trial proceedings in the trial court or on appeal; and
- other risks indicated from time to time in our filings with the Securities and Exchange Commission.

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. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements whether as a result of such changes, new information, subsequent events or otherwise.

Equity LifeStyle Properties, Inc. is a fully integrated owner and operator of lifestyle-oriented properties and owns or has an interest in 379 quality properties in 32 states and British Columbia consisting of 140,333 sites. We are a self-administered, self-managed, real estate investment trust (REIT) with headquarters in Chicago.

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 thereunto duly authorized.

EQUITY LIFESTYLE PROPERTIES, INC.

By: /s/ Paul Seavey.

Paul Seavey

Executive Vice President, Chief Financial Officer and Treasurer

Date: May 13, 2014

EQUITY LIFESTYLE PROPERTIES, INC.
2014 EQUITY INCENTIVE PLAN

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EQUITY LIFESTYLE PROPERTIES, INC.
2014 EQUITY INCENTIVE PLAN

Equity LifeStyle Properties, Inc., a Maryland corporation, wishes to attract and retain qualified key employees, directors, officers, advisors, consultants and other personnel and encourage them to increase their efforts to make the Company's business more successful whether directly or through its Subsidiaries or other affiliates. In furtherance thereof, the Equity LifeStyle Properties, Inc. 2014 Equity Incentive Plan is designed to provide equity-based incentives to certain Eligible Persons. Awards under the Plan may be made to Eligible Persons in the form of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights or other forms of equity-based compensation.

1. DEFINITIONS

Whenever used herein, the following terms shall have the meanings set forth below:

"1992 Plan" means the Manufactured Home Communities, Inc. 1992 Stock Option and Stock Award Plan, as amended and restated effective March 31, 2001.

"Award" except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights and other equity-based Awards as contemplated herein.

"Award Agreement" means a written agreement in a form approved by the Committee to be entered into between the Company and the Participant as provided in Section 3.

"Board" means the Board of Directors of the Company.

"Cause" means, unless otherwise provided in the Participant's Award Agreement, (i) engaging in (A) willful or gross misconduct or (B) willful or gross neglect; (ii) repeatedly failing to adhere to the directions of superiors or the Board or the written policies and practices of the Company or its Subsidiaries or its affiliates; (iii) the commission of a felony or a crime of moral turpitude, dishonesty, breach of trust or unethical business conduct, or any crime involving the Company or its Subsidiaries, or any affiliate thereof; (iv) fraud, misappropriation or embezzlement; (v) a material breach of the Participant's employment agreement (if any) with the Company, its Subsidiaries, or any affiliate thereof; (vi) acts or omissions constituting a material failure to perform substantially and adequately the duties assigned to the Participant; (vii) any illegal act detrimental to the Company, its Subsidiaries, or any affiliate thereof; or (viii) repeated failure to devote substantially all of the Participant's business time and efforts to the Company, its Subsidiaries or any affiliate thereof if required by the Participant's employment agreement; **provided, however, that**, if at any particular time the Participant is subject to an effective employment agreement with the Company, then, in lieu of the foregoing definition, "Cause" shall at that time have such meaning as may be specified in such employment agreement.

"Change in Control" shall mean the happening of any of the following:

- (a) any "person," including a "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding the Company, any entity controlling, controlled by or under common control with the Company, any director, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any such entity) is or becomes the "beneficial owner" (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, either in a single transaction or in a series of transactions, of securities of the Company representing 25% or more of either (A) the combined voting power of the Company's then outstanding securities or (B) the then outstanding Shares (in either such case other than as a result of an acquisition of securities directly from the Company); or
- (b) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, Shares representing in the aggregate 75% or more of the combined voting power of the securities of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any) in substantially the same proportion as their ownership of the combined voting power of the securities of the Company immediately prior to such consolidation or merger; or
- (c) there shall occur (A) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company, other than a sale, lease, exchange or other transfer by the Company of all or substantially all of the Company's assets to an entity, at least 75% of the combined voting power of the voting securities of which are owned by "persons" (as defined above) in substantially the same proportion as their ownership of the Company's combined voting power immediately prior to such sale or (B) the approval by stockholders of the Company of any plan or proposal for the liquidation or dissolution of the Company; or
- (d) the members of the Board at the beginning of any consecutive 24-calendar-month period (the "Incumbent Directors") cease for any reason other than due to death to constitute at least a majority of the members of the Board; **provided that** any director whose election, or nomination for election by the Company's stockholders, was approved or ratified by a vote of at least a majority of the members of the Board then still in office who were members of the Board at the beginning of such 24-calendar-month period, shall be deemed to be an Incumbent Director, but any such director whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Incumbent Directors shall not be deemed to be an Incumbent Director.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation, Nominating and Corporate Governance Committee of the Board.

"Common Stock" means the shares of stock of the Company which are Common Stock, par value \$.01 per share, either currently existing or authorized hereafter.

"Company" means the Equity LifeStyle Properties, Inc., a Maryland corporation.

"Covered 162(m) Employee" means an employee who is a "covered employee" within the meaning of Section 162(m) of the Code.

"Disability" means, unless otherwise provided by the Committee in the Participant's Award Agreement, a disability which renders the Participant incapable of performing all of his or her material duties for a period of at least 180 consecutive days.

"Dividend Equivalent Right" means a right awarded under Section 9 of the Plan to receive (or have credited) the equivalent value of dividends paid on Common Stock.

"Effective Date" means the date described in Section 2.

"Eligible Person" means a key employee, director, officer, advisor, consultant or other full or part-time personnel of the Company and its Subsidiaries or other person expected to provide significant services to the Company or its Subsidiaries. The Committee may provide that employees of the Company's affiliates may be Eligible Persons, and may make such arrangements with the foregoing entities as it may consider appropriate, in light of tax and other considerations, in the case of grants directly or indirectly to such employees.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exercise Price" means the price per Share, determined by the Board or the Committee, at which an Option or Stock Appreciation Right, as applicable, may be exercised, which shall not be less than 100% of the Fair Market Value of a Share on the day the Option or Stock Appreciation Right, as applicable, is granted.

"Fair Market Value" per Share as of a particular date means (i) if Shares are then listed on a national stock exchange, the closing sales price per Shares on the exchange for the last preceding date on which there was a sale of Shares on such exchange, (ii) if Shares are not then listed on a national stock exchange but are then traded on an over-the-counter market, the average of the closing bid and asked prices for the Shares in such over-the-counter market for the last preceding date on which there was a sale of such Shares in such market, or (iii) if Shares are not then listed on a national stock exchange or traded on an over-the-counter market, such value as the Committee in its discretion may in good faith determine; **provided that**, where the Shares are so listed or traded, the Committee may make such discretionary determinations when the Shares have not been traded for 10 trading days.

"Grantee" means an Eligible Person granted Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights or such other equity-based Awards as may be granted pursuant to Section 10, or the Successors of the Grantee, as the context so requires.

"Incentive Stock Option" means an "incentive stock option" within the meaning of Section 422(b) of the Code.

"Non-Qualified Stock Option" means an Option which is not an Incentive Stock Option.

"Option" means the right to purchase, at a price and for the term fixed by the Committee in accordance with the Plan, and subject to such other limitations and restrictions in the Plan and the applicable Award Agreement, a number of Shares determined by the Committee.

"Optionee" means an Eligible Person to whom an Option or Stock Appreciation Right is granted, or the Successors of the Optionee, as the context so requires.

"Participant" means a Grantee or Optionee.

"Performance Criteria" means the criteria that the Committee selects for purposes of establishing the Performance Goal or Performance Goals that will apply to a Qualified Performance-Based Award for a Participant for a Performance Cycle. The Performance Criteria (which shall be applicable to the organizational level specified by the Committee, including, but not limited to, the Company or a unit, division, group, or Subsidiary of the Company) that will be used to establish Performance Goals are limited to one or more of the following: total stockholder return; growth in funds from operations (as defined by the National Association of Real Estate Investment Trusts, from time to time), revenues, net income, Common Stock price and/or earnings per Share; dividend growth; return on assets, net assets and/or capital; return on stockholders' equity; debt/equity ratio; working capital; the Company's financial performance versus its peers; economic value added; acquisitions; expense reductions; and adherence to strategic plan.

"Performance Cycle" means one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Criteria will be measured for the purposes of determining a Participant's right to and the payment of a performance-based Award.

"Performance Goals" means, for a Performance Cycle, the specific goals established in writing by the Committee for a Performance Cycle, which (i) must be based upon the Performance Criteria for any Qualified Performance-Based Award, and (ii) may be based on the Performance Criteria or any other performance objectives, as determined by the Committee, for Awards that are not Qualified Performance-Based Awards.

"Plan" means the Company's 2014 Equity Incentive Plan, as set forth herein and as the same may from time to time be amended.

"Qualified Performance-Based Award" has the meaning set forth in Section 11.2 of the Plan.

"Restricted Stock" means an award of Shares that is subject to restrictions hereunder.

"Restricted Stock Unit" means a right, pursuant to the Plan, of the Grantee to payment of the Restricted Stock Unit Value.

"Restricted Stock Unit Value," per Restricted Stock Unit, means the Fair Market Value of the underlying Shares, or, if so provided by the Committee, such Fair Market Value to the extent in excess of a base value established by the Committee at the time of grant.

"Restricted Stock Unit Vesting Date" means the date determined under Section 8.4(c).

"Retirement" means, unless otherwise provided by the Committee in the Participant's Award Agreement, the Termination of Service (other than for Cause) of a Participant on or after the Participant's attainment of age 65 or on or after the Participant's attainment of age 55 with five consecutive years of service with the Company and or its Subsidiaries or its affiliates.

"Section 409A" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"Securities Act" means the Securities Act of 1933, as amended.

"Settlement Date" means the date determined under Section 8.4(c).

"Share" means a share of Common Stock of the Company.

"Specified Employee" has the meaning ascribed thereto in Section 409A, **provided, however, that**, as permitted in such final regulations, the Company's Specified Employees and its application of the six-month delay rule of Code Section 409A(a)(2)(B)(i) shall be determined in accordance with rules adopted by the Board or the Committee, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company, including this Plan.

"Stock Appreciation Right" means an Award, pursuant to the Plan, entitling the Optionee to receive for the term fixed by the Committee in accordance with the Plan, and subject to such other limitations and restrictions in the Plan and the applicable Award Agreement, a combination of Shares and cash, or, in the discretion of the Committee, either in Shares or in cash, with an aggregate Fair Market Value (or, to the extent of payment in cash, in an amount) equal to the excess of the Fair Market Value of the Shares with respect to which the Stock Appreciation Right is being exercised over the aggregate Exercise Price, as determined as of the day the Stock Appreciation Right is exercised.

"Subsidiary" means any corporation (other than the Company) that is a "subsidiary corporation" with respect to the Company under Section 424(f) of the Code. In the event the Company becomes a subsidiary of another company, the provisions hereof applicable to subsidiaries shall, unless otherwise determined by the Committee, also be applicable to any company that is a "parent corporation" with respect to the Company under Section 424(e) of the Code.

"Successor" means the legal representative of the estate of a deceased Optionee or Grantee or the person or persons who shall acquire the rights to an Award, by bequest or inheritance or by reason of the death of the Optionee or Grantee.

"Termination of Service" means a Participant's termination of employment or other service, as applicable, with the Company and its Subsidiaries or affiliates.

2. EFFECTIVE DATE AND TERMINATION OF PLAN

The effective date (the **"Effective Date"**) of the Plan is the date on which it is approved by the requisite percentage of the holders of the Common Stock of the Company. The Plan shall terminate on, and no Award shall be granted hereunder on or after, the 10-year anniversary of the Effective Date; **provided, however, that** the Board may at any time prior to that date terminate the Plan. Outstanding grants under the 1992 Plan granted prior to the expiration of the 1992 Plan shall continue in effect according to their terms (subject to such amendments as the Committee may determine consistent with the 1992 Plan).

3. ADMINISTRATION OF PLAN

3.1 The Plan shall be administered by the Committee appointed by the Board. The Committee shall consist of at least two individuals each of whom shall be a "nonemployee director" as defined in Rule 16b-3 as promulgated by the Securities and Exchange Commission ("**Rule 16b-3**") under the Exchange Act and shall, at such times as the Company is subject to Section 162(m) of the Code (to the extent relief from the limitation of Section 162(m) of the Code is sought with respect to Awards), qualify as "outside directors" for purposes of Section 162(m) of the Code; **provided that** no action taken by the Committee (including without limitation grants) shall be invalidated because any or all of the members of the Committee fails to satisfy the foregoing requirements of this sentence. The acts of a majority of the members present at any meeting of the Committee at which a quorum is present, or acts approved in writing by a majority of the entire Committee, shall be the acts of the Committee for purposes of the Plan. No member of the Committee may act as to matters under the Plan specifically relating to such member. Notwithstanding the other foregoing provisions of this Section 3.1, any Award under the Plan to a person who is a member of the Board and is not an employee of the Company shall be made and administered by the Board. If no Committee is designated by the Board to act for these purposes, the Board shall have the rights and responsibilities of the Committee hereunder and under the Award Agreements.

3.2 Subject to the provisions of the Plan, the Committee shall in its discretion as reflected by the terms of the Award Agreements or otherwise (i) authorize the granting of Awards to Eligible Persons; (ii) determine the eligibility of Eligible Persons to receive an Award; (iii) determine the number of Shares to be covered under any Award Agreement, considering the position and responsibilities of the Eligible Persons, the nature and value to the Company of the Eligible Person's present and potential contribution to the success of the Company whether directly or through its Subsidiaries and/or such other factors as the Committee may deem relevant; (iv) approve the form of Award Agreement; (v) determine the terms applicable to each Award, which may differ among individual Awards and Participants; (vi) accelerate at any time the exercisability or vesting of all or any portion of any Award; (vii) subject to the provisions of Section 5.3(a) or 6.3(a), as applicable,

extend at any time the period in which Options or Stock Appreciation Rights may be exercised; (viii) determine the extent to which the transferability of Shares issued or transferred pursuant to an Award is restricted; (ix) interpret the terms and provisions of the Plan and any Award; (x) make all determinations it deems advisable for the administration of the Plan; (xi) decide all disputes arising in connection with the Plan; and (xii) otherwise supervise the administration of the Plan.

3.3 The Award Agreement shall contain such other terms, provisions and conditions not inconsistent herewith as shall be determined by the Committee. In the event that any Award Agreement or other agreement hereunder provides (without regard to this sentence) for the obligation of the Company or any affiliate thereof to purchase or repurchase Shares from a Participant or any other person, then, notwithstanding the provisions of the Award Agreement or such other agreement, such obligation shall not apply to the extent that the purchase or repurchase would not be permitted under governing state law. The Participant shall take whatever additional actions and execute whatever additional documents the Committee may in its reasonable judgment deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on the Participant pursuant to the express provisions of the Plan and the Award Agreement.

4. STOCK AND UNITS SUBJECT TO THE PLAN

4.1 If this Plan is approved, 3,750,000 Shares will become available for future grants under this Plan, subject to adjustments as provided in Section 15. Shares distributed under the Plan shall be authorized but unissued Shares.

4.2 Any Shares that have been granted as Restricted Stock or that have been reserved for distribution in payment for Options, Stock Appreciation Rights, Restricted Stock Units or other equity-based Awards will be subtracted from the Plan Stock reserve as of the date of grant, but may be added back to such reserve in accordance with this Section 4.2:

(a) Any Shares with respect to Awards that are later cancelled, expire, are forfeited or lapse for any reason will again be made the subject of Awards under the Plan.

(b) If any Restricted Stock Units, Dividend Equivalent Rights or other equity-based Awards under Section 10 are paid in cash (other than Stock Appreciation Rights), then the underlying Shares will again be made the subject of Awards under the Plan.

(c) Awards granted in substitution, assumption, continuation or adjustment of outstanding Awards pursuant to Section 15 will not count against the number of Shares remaining available for issuance under the Plan.

(d) Subject to applicable law, stock exchange rules and plan provisions, shares available under a stockholder-approved plan of an entity acquired by the Company (as adjusted) may be issued under the Plan pursuant to Awards granted to individuals who were not employees of the Company immediately before such acquisition and will not count against the number of Shares remaining available for issuance under the Plan.

4.3 The certificates for Shares issued hereunder may include any legend which the Committee deems appropriate to reflect any rights of first refusal or other restrictions on transfer hereunder or under the Award Agreement, or as the Committee may otherwise deem appropriate.

5. PROVISIONS APPLICABLE TO STOCK OPTIONS

5.1 **Grant of Option.** Subject to the other terms of the Plan, the Committee shall, in its discretion as reflected by the terms of the applicable Award Agreement: (i) determine and designate from time to time those Eligible Persons to whom Options are to be granted and the number of Shares to be optioned to each Eligible Person; (ii) determine whether to grant Options intended to be Incentive Stock Options, or to grant Non-Qualified Stock Options, or both (to the extent that any Option does not qualify as an Incentive Stock Option, it shall constitute a separate Non-Qualified Stock Option); **provided that** Incentive Stock Options may only be granted to employees of the Company or its Subsidiaries; (iii) determine the time or times when and the manner and conditions on which each Option shall be exercisable and the duration of the exercise period; (iv) accelerate at any time the exercisability or vesting of all or any portion of any Option pursuant to the Award Agreement at the time of grant or thereafter; and (v) determine or impose other conditions to the grant or exercise of Options under the Plan as it may deem appropriate.

5.2 **Exercise Price.** The Exercise Price shall be determined by the Committee on the date the Option is granted and reflected in the Award Agreement (as the same may be amended from time to time) and shall not be less than 100% of the Fair Market Value of a Share on the day the Option is granted. Subject to the foregoing, any particular Award Agreement may provide for different Exercise Prices for specified amounts of Shares subject to the Option. In no event may the Committee grant Options in replacement of Options previously granted under this Plan or any other compensation plan of the Company or cancel an outstanding Option in exchange for cash or other Awards (other than cash or other Awards with a value equal to the excess of the Fair Market Value of the Shares subject to such Option at the time of cancellation over the Exercise Price for such Shares), or amend outstanding Options (including amendments to adjust the Exercise Price) unless such replacement, cancellation or adjustment (i) is subject to and approved by the Company's stockholders or (ii) would not be deemed to be a repricing under the rules of the New York Stock Exchange.

5.3 Period of Option and Vesting.

(a) Unless earlier expired, forfeited or otherwise terminated, each Option shall expire in its entirety upon the 10th anniversary of the date of grant or on such other date (which may be earlier, but not later) as is set forth in the applicable Award Agreement (except that, in the case of an individual described in Section 422(b)(6) of the Code (relating to certain 10% owners) who is granted an Incentive Stock Option, the term of such Option shall be no more than five years from the date of grant). The Option shall also expire, be forfeited and terminate at such times and in such circumstances as otherwise provided hereunder, under the Award Agreement at the time of grant, or as determined thereafter by the Committee.

(b) Each Option, to the extent that the Optionee has not had a Termination of Service and the Option has not otherwise lapsed, expired, terminated or been forfeited, shall first

become exercisable according to the terms and conditions set forth in the Award Agreement at the time of grant or as determined thereafter by the Committee, which may include Performance Goals. Unless otherwise provided in the Award Agreement at the time of grant or as determined thereafter by the Committee, no Option (or portion thereof) shall ever be exercisable if the Optionee has a Termination of Service before the time at which such Option (or portion thereof) would otherwise have become exercisable, and any Option that would otherwise become exercisable after such Termination of Service shall not become exercisable and shall be forfeited upon such termination. Notwithstanding the foregoing provisions of this Section 5.3(b), Options exercisable pursuant to the schedule set forth by the Committee at the time of grant may be fully or more rapidly exercisable or otherwise vested at any time in the discretion of the Committee. Upon and after the death of an Optionee, such Optionee's Options, if and to the extent otherwise exercisable hereunder or under the applicable Award Agreement after the Optionee's death, may be exercised by the Successors of the Optionee.

5.4 Exercisability Upon and After Termination of Service of Optionee.

(a) Subject to provisions set forth in the Award Agreement at the time of grant or as determined thereafter by the Committee, in the event the Optionee has a Termination of Service other than by the Company or its Subsidiaries for Cause, or other than by reason of death, Retirement or Disability, no exercise of an Option may occur after the expiration of the three-month period immediately following the Termination of Service, or if earlier, the expiration of the term of the Option as provided under Section 5.3(a); **provided that**, if the Optionee should die after the Termination of Service but while the Option is still in effect, the Option (if and to the extent otherwise exercisable by the Optionee at the time of death) may be exercised until the earlier of (i) one year from the date of the Termination of Service of the Optionee, or (ii) the date on which the term of the Option expires in accordance with Section 5.3(a).

(b) Subject to provisions set forth in the Award Agreement at the time of grant or as determined thereafter by the Committee, in the event the Optionee has a Termination of Service on account of death or Disability or Retirement, the Option (if and to the extent otherwise exercisable by the Optionee at the time of the Termination of Service) may be exercised until the earlier of (i) one year from the date of the Termination of Service of the Optionee, or (ii) the date on which the term of the Option expires in accordance with Section 5.3.

(c) Notwithstanding any other provision hereof, unless otherwise provided in the Award Agreement at the time of grant or determined thereafter by the Committee, if the Optionee has a Termination of Service by the Company for Cause, the Optionee's Options, to the extent then unexercised, shall thereupon cease to be exercisable and shall be forfeited forthwith.

(d) Any Option that is not exercisable at the time of the Termination of Service or is not exercised within the applicable time periods described in this Section 5.4 shall cease to be exercisable and shall be forfeited forthwith.

5.5 Exercise of Options.

(a) Subject to vesting, restrictions on exercisability and other restrictions provided for hereunder or otherwise imposed in accordance herewith, an Option may be exercised in whole or in part, and payment in full of the Exercise Price made, by an Optionee only by written notice (in the form prescribed by the Committee) to the Company specifying the number of Shares to be purchased.

(b) Without limiting the scope of the Committee's discretion hereunder, the Committee may impose such other restrictions on the exercise of Options (whether or not in the nature of the foregoing restrictions) as it may deem necessary or appropriate.

5.6 Payment.

(a) The Exercise Price shall be paid in full upon the exercise of the Option. Payment must be made by one of the following methods:

(i) Cash, a certified or bank cashier's check, or wire transfer;

(ii) if approved by the Committee in its discretion, shares of previously owned Common Stock, which are not then subject to restrictions under the Plan or the 1992 Plan, having an aggregate Fair Market Value on the date of exercise equal to the aggregate Exercise Price;

(iii) if approved by the Committee in its discretion, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate Exercise Price; **provided, however, that** the Company shall accept a cash or other payment from the Optionee to the extent of any remaining balance of the aggregate Exercise Price not satisfied by such reduction in the number of whole Shares to be issued; **provided further, however, that** Shares will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that Shares are used to pay the Exercise Price pursuant to the "net exercise"; or

(iv) by any combination of such methods of payment or any other method acceptable to the Committee in its discretion.

(b) The Committee may provide that no Option may be exercised with respect to any fractional Share. Any fractional Shares resulting from an Optionee's exercise that is accepted by the Company shall in the discretion of the Committee be paid in cash.

5.7 Exercise for Cash. The Committee, in its discretion, may also permit the Optionee to elect to exercise an Option by receiving a combination of Shares and cash, or, in the discretion of the Committee, either in Shares or in cash, with an aggregate Fair Market Value (or, to the extent of payment in cash, in an amount) equal to the excess of the Fair Market Value of the Shares with

respect to which the Option is being exercised over the aggregate Exercise Price, as determined as of the day the Option is exercised.

5.8 Exercise by Successors. An Option may be exercised, and payment in full of the aggregate Exercise Price made, by the Successors of the Optionee only by written notice (in the form prescribed by the Committee) to the Company specifying the number of Shares to be purchased. Such notice shall state that the aggregate Exercise Price will be paid in full, or that the Option will be exercised as otherwise provided hereunder, in the discretion of the Committee, if and as applicable.

5.9 Nontransferability of Option. Each Option granted under the Plan shall be nontransferable by the Optionee except by will or the laws of descent and distribution of the state wherein the Optionee is domiciled at the time of his death; **provided, however, that** the Committee may permit other transfers, where the Committee concludes that such transferability (i) does not result in accelerated U.S. federal income taxation, (ii) does not cause any Option intended to be an Incentive Stock Option to fail to be described in Section 422(b) of the Code, and (iii) is otherwise appropriate and desirable.

5.10 Certain Incentive Stock Option Provisions.

(a) No more than 1,000,000 Shares can be issued under the Plan as Incentive Stock Options.

(b) The aggregate Fair Market Value, determined as of the date an Option is granted, of the Common Stock for which any Optionee may be awarded Incentive Stock Options which are first exercisable by the Optionee during any calendar year under the Plan (or any other stock option plan required to be taken into account under Section 422(d) of the Code) shall not exceed \$100,000.

(c) If Shares acquired upon exercise of an Incentive Stock Option are disposed of in a disqualifying disposition within the meaning of Section 422 of the Code by an Optionee prior to the expiration of either two years from the date of grant of such Option or one year from the transfer of Shares to the Optionee pursuant to the exercise of such Option, or in any other disqualifying disposition within the meaning of Section 422 of the Code, such Optionee shall notify the Company in writing as soon as practicable thereafter of the date and terms of such disposition and, if the Company (or any affiliate thereof) thereupon has a tax-withholding obligation, shall pay to the Company (or such affiliate) an amount equal to any withholding tax the Company (or affiliate) is required to pay as a result of the disqualifying disposition.

(d) The Exercise Price with respect to each Incentive Stock Option shall not be less than 100%, or 110% in the case of an individual described in Section 422(b)(6) of the Code (relating to certain 10% owners), of the Fair Market Value of the underlying Shares on the day the Option is granted. In the case of an individual described in Section 422(b)(6) of the Code who is granted an Incentive Stock Option, the term of such Option shall be no more than five years from the date of grant.

6. PROVISIONS APPLICABLE TO STOCK APPRECIATION RIGHTS

6.1 Grant of Stock Appreciation Rights. Subject to the other terms of the Plan, the Committee shall, in its discretion as reflected by the terms of the applicable Award Agreement: (i) determine and designate from time to time those Eligible Persons to whom Stock Appreciation Rights are to be granted and the number of Shares subject to such Stock Appreciation Rights for each Eligible Person; (ii) determine the time or times when and the manner and conditions on which each Stock Appreciation Right shall be exercisable and the duration of the exercise period; (iii) accelerate at any time the exercisability or vesting of all or any portion of any Stock Appreciation Right pursuant to the Award Agreement at the time of grant or thereafter; and (iv) determine or impose other conditions to the grant or exercise of Stock Appreciation Rights under the Plan as it may deem appropriate. Stock Appreciation Rights may be granted by the Committee independently of any Option granted pursuant to Section 5 of the Plan.

6.2 Exercise Price of Stock Appreciation Rights. The Exercise Price shall be determined by the Committee on the date the Stock Appreciation Right is granted and reflected in the Award Agreement (as the same may be amended from time to time) and shall not be less than 100% of the Fair Market Value of the underlying Shares on the day the Stock Appreciation Right is granted. Subject to the foregoing, any particular Award Agreement may provide for different Exercise Prices for specified amounts of Shares subject to the Stock Appreciation Right. Except as provided in Section 15, (i) the Exercise Price of an outstanding Stock Appreciation Right may not be reduced, directly or indirectly by cancellation, regrant or otherwise, without stockholder approval, and (ii) an outstanding Option with an Exercise Price in excess of the then Fair Market Value may not be cancelled for consideration payable in cash or equity securities of the Company without stockholder approval.

6.3 Period of Stock Appreciation Right and Vesting.

(a) Unless earlier expired, forfeited or otherwise terminated, each Stock Appreciation Right shall expire in its entirety upon the 10th anniversary of the date of grant or on such other date (which may be earlier, but not later) as is set forth in the applicable Award Agreement at the time of grant or as determined thereafter by the Committee. The Stock Appreciation Right shall also expire, be forfeited and terminate at such times and in such circumstances as otherwise provided hereunder, under the Award Agreement at the time of grant, or as determined thereafter by the Committee.

(b) Each Stock Appreciation Right, to the extent that the Optionee has not had a Termination of Service and the Stock Appreciation Right has not otherwise lapsed, expired, terminated or been forfeited, shall first become exercisable according to the terms and conditions set forth in the Award Agreement at the time of grant or as determined thereafter by the Committee, which may include Performance Goals. Unless otherwise provided in the Award Agreement at the time of grant or determined thereafter by the Committee, no Stock Appreciation Right (or portion thereof) shall ever be exercisable if the Optionee has a Termination of Service before the time at which such Stock Appreciation Right (or portion thereof) would otherwise have become exercisable, and any Stock Appreciation Right that would otherwise become exercisable after such Termination of Service shall not become exercisable and shall be forfeited upon such termination.

Notwithstanding the foregoing provisions of this Section 6.4(b), Stock Appreciation Rights exercisable pursuant to the schedule set forth by the Committee at the time of grant may be fully or more rapidly exercisable or otherwise vested at any time in the discretion of the Committee. Upon and after the death of an Optionee, such Optionee's Stock Appreciation Right, if and to the extent otherwise exercisable hereunder or under the applicable Award Agreement after the Optionee's death, may be exercised by the Successors of the Optionee.

6.4 Exercisability of Stock Appreciation Rights Upon and After Termination of Service of Optionee.

(a) Subject to provisions set forth in the Award Agreement at the time of grant or as determined thereafter by the Committee, in the event the Optionee has a Termination of Service other than by the Company or its Subsidiaries for Cause, no exercise of a Stock Appreciation Right may occur after the expiration of the three-month period immediately following the termination, or if earlier, the expiration of the term of the Stock Appreciation Right as provided under Section 6.3(a).

(b) Notwithstanding any other provision hereof, unless otherwise provided in the Award Agreement at the time of grant or determined thereafter by the Committee, if the Optionee has a Termination of Service by the Company for Cause, the Optionee's Stock Appreciation Rights, to the extent then unexercised, shall thereupon cease to be exercisable and shall be forfeited forthwith.

(c) Any Stock Appreciation Right that is not exercisable at the time of the Termination of Service or is not exercised within the applicable time periods described in this Section 6.4 shall cease to be exercisable and shall be forfeited forthwith.

6.5 Exercise of Stock Appreciation Rights. Subject to vesting, restrictions on exercisability and other restrictions provided for hereunder or otherwise imposed in accordance herewith, a Stock Appreciation Right may be exercised in whole or in part by an Optionee only by written notice (in the form prescribed by the Committee) to the Company specifying the number of Shares underlying the Stock Appreciation Right that will be exercised.

6.6 Exercise by Successors. A Stock Appreciation Right may be exercised by the Successors of the Optionee only by written notice (in the form prescribed by the Committee) to the Company specifying the number of Shares to be purchased.

6.7 Nontransferability of Stock Appreciation Right. Each Stock Appreciation Right granted under the Plan shall be nontransferable by the Optionee except by will or the laws of descent and distribution of the state wherein the Optionee is domiciled at the time of his death; **provided, however, that** the Committee may permit other transfers, where the Committee concludes that such transferability does not result in accelerated U.S. federal income taxation, and is otherwise appropriate and desirable.

7. PROVISIONS APPLICABLE TO RESTRICTED STOCK

7.1 Grant of Restricted Stock.

(a) In connection with the grant of Restricted Stock, whether or not Performance Goals apply thereto, the Committee shall establish one or more vesting periods with respect to the Restricted Stock granted, the length of which shall be determined in the discretion of the Committee. Subject to the provisions of this Section 7, the applicable Award Agreement, the other provisions of the Plan and achievement of Performance Goals (if applicable), restrictions on Restricted Stock shall lapse if the Grantee satisfies all applicable employment or other service requirements through the end of the applicable vesting period.

(b) Subject to the other terms of the Plan, the Committee may, in its discretion as reflected by the terms of the applicable Award Agreement: (i) authorize the granting of Restricted Stock to Eligible Persons; (ii) provide a specified purchase price for the Restricted Stock (whether or not the payment of a purchase price is required by any state law applicable to the Company, **provided that** no Shares shall be issued for consideration which is less than is required by any state law applicable); (iii) determine the restrictions applicable to Restricted Stock; (iv) accelerate at any time vesting of all or any portion of any Restricted Stock pursuant to the Award Agreement at the time of grant or thereafter; and (v) determine or impose other conditions, including any applicable Performance Goals, to the grant of Restricted Stock under the Plan as it may deem appropriate.

7.2 Certificates.

(a) Unless otherwise provided by the Committee, each Grantee of Restricted Stock shall be issued a share certificate in respect of Restricted Stock awarded under the Plan. Each such certificate shall be registered in the name of the Grantee. Without limiting the generality of Section 4.4, the certificates for Restricted Stock issued hereunder may include any legend which the Committee deems appropriate to reflect any restrictions on transfer hereunder or under the Award Agreement, or as the Committee may otherwise deem appropriate, and, without limiting the generality of the foregoing, shall bear a legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) OF THE EQUITY LIFESTYLE PROPERTIES, INC. 2014 EQUITY INCENTIVE PLAN AND AN AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER AND EQUITY LIFESTYLE PROPERTIES, INC. COPIES OF SUCH PLAN AND AWARD AGREEMENT ARE ON FILE IN THE OFFICES OF EQUITY LIFESTYLE PROPERTIES, INC., AT TWO NORTH RIVERSIDE PLAZA, CHICAGO, ILLINOIS 60606.

(b) The Committee shall require that any stock certificates evidencing such Shares be held in custody by the Company until the restrictions hereunder shall have lapsed, and that, as a condition of any Award of Restricted Stock, the Grantee shall have delivered to the Company a stock power, endorsed in blank, relating to the stock covered by such Award. If and when such restrictions so lapse, the stock certificates shall be delivered by the Company to the Grantee or his or her designee as provided in Section 7.3 (and the stock power shall be so delivered or shall be discarded).

7.3 Restrictions and Conditions. Unless otherwise provided by the Committee, the Restricted Stock awarded pursuant to the Plan shall be subject to the following restrictions and conditions:

(a) Subject to the provisions of the Plan and the Award Agreements, during a period commencing with the date of such Award and ending on the date the period of forfeiture with respect to such Shares lapses, the Grantee shall not be permitted voluntarily or involuntarily to sell, transfer, pledge, alienate, encumber or assign Restricted Stock awarded under the Plan (or have such Shares attached or garnished). Subject to the provisions of the Award Agreements and clause (c) below, the period of forfeiture with respect to Shares granted hereunder shall lapse as provided in the applicable Award Agreement. Notwithstanding the foregoing, unless otherwise expressly provided by the Committee, the period of forfeiture with respect to such Shares shall only lapse as to whole Shares.

(b) Except as provided in the foregoing clause (a), below in this clause (b), or in Section 15, or otherwise provided in the Award Agreement, the Grantee shall have, in respect of the Restricted Stock, all of the rights of a stockholder of the Company, including the right to vote the Shares, and the right to receive any cash dividends. Certificates for Shares (not subject to restrictions hereunder) shall be delivered to the Grantee or his or her designee promptly after, and only after, the period of forfeiture shall lapse without forfeiture in respect of such Restricted Stock.

(c) Except if otherwise provided in the applicable Award Agreement at the time of grant or as determined thereafter by the Committee, if the Grantee has a Termination of Service for any reason, during the applicable period of forfeiture, then (i) all Shares still subject to restriction shall thereupon, and with no further action, be forfeited by the Grantee, and (ii) the Company shall pay to the Grantee as soon as practicable (and in no event more than 30 days) after such termination an amount equal to the lesser of (x) the amount paid by the Grantee (if any) for such forfeited Restricted Stock as contemplated by Section 7.1, and (y) the Fair Market Value on the date of termination of the forfeited Restricted Stock.

8. PROVISIONS APPLICABLE TO RESTRICTED STOCK UNITS

8.1 Grant of Restricted Stock Units. Subject to the other terms of the Plan, the Committee shall, in its discretion as reflected by the terms of the applicable Award Agreement: (i) authorize the granting of Restricted Stock Units to Eligible Persons; (ii) accelerate at any time vesting of all or any portion of any Restricted Stock Unit pursuant to the Award Agreement at the time of grant or thereafter; and (iii) determine or impose other conditions to the grant of Restricted

Stock Units under the Plan as it may deem appropriate, including whether Performance Goals (as provided for under Section 11) apply thereto.

8.2 **Term.** The Committee may provide in an Award Agreement that any particular Restricted Stock Unit shall expire at the end of a specified term.

8.3 **Vesting.** Restricted Stock Units shall vest as provided in the applicable Award Agreement.

8.4 **Settlement of Restricted Stock Units.**

(a) Each vested and outstanding Restricted Stock Unit shall be settled by the transfer to the Grantee of one Share; **provided that**, at the time of grant or thereafter, the Committee may provide that a Restricted Stock Unit may be settled in (i) cash at the applicable Restricted Stock Unit Value, or (ii) cash or by transfer of Shares as elected by the Company.

(b) Restricted Stock Units shall be settled with a single payment or transfer by the Company on the Settlement Date.

(c) Unless otherwise provided in the applicable Award Agreement, the "**Settlement Date**" with respect to a Restricted Stock Unit is as soon as practicable after (but not later than the first day of the month to follow) the Restricted Stock Unit Vesting Date. The "**Restricted Stock Unit Vesting Date**" is the date on which the Restricted Stock Unit vests.

8.5 **Other Restricted Stock Unit Provisions.**

(a) Rights to payments with respect to Restricted Stock Units granted under the Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, garnishment, levy, execution, or other legal or equitable process, either voluntary or involuntary; and any attempt to alienate, sell, transfer, assign, pledge, encumber, attach or garnish, or levy or execute on any right to payments or other benefits payable hereunder, shall be void.

(b) A Grantee may designate in writing, on forms to be prescribed by the Committee, a beneficiary or beneficiaries to receive any payments payable after his or her death and may amend or revoke such designation at any time. If no beneficiary designation is in effect at the time of a Grantee's death, payments hereunder shall be made to the Grantee's estate.

(c) Notwithstanding any other provision of this Section 8, any fractional Restricted Stock Unit will be paid out in cash at the Restricted Stock Unit Value as of the Restricted Stock Unit Vesting Date.

(d) No Restricted Stock Unit shall be construed to give any Grantee any rights with respect to Stock or any ownership interest in the Company. Except as may be provided in accordance with Section 9, no provision of the Plan shall be interpreted to confer upon any Grantee any voting, dividend or derivative or other similar rights with respect to any Restricted Stock Unit.

9. PROVISIONS APPLICABLE TO DIVIDEND EQUIVALENT RIGHTS

9.1 Grant of Dividend Equivalent Rights. Subject to the other terms of the Plan, the Committee may, in its discretion, authorize the granting of Dividend Equivalent Rights to Eligible Persons based on the regular cash dividends declared on Common Stock, to be credited as of the dividend payment dates, during the period between the date a Dividend Equivalent Right is granted, and the date such a Dividend Equivalent Right vests or expires, as determined by the Committee. Such Dividend Equivalent Rights shall be converted to cash or additional Shares by such formula and at such time and subject to such limitation as may be determined by the Committee. With respect to Dividend Equivalent Rights granted with respect to Options or Stock Appreciation Rights, such Dividend Equivalent Rights shall be payable regardless of whether such Option or Stock Appreciation Right, as applicable, is exercised. If a Dividend Equivalent Right is granted in respect of another Award hereunder, then, unless otherwise stated in the Award Agreement, in no event shall the Dividend Equivalent Right be in effect for a period beyond the time during which the applicable portion of the underlying Award is in effect.

9.2 Certain Terms.

(a) The term of a Dividend Equivalent Right shall be set by the Committee in its discretion.

(b) Unless otherwise determined by the Committee, a Dividend Equivalent Right is payable only before the Participant has a Termination of Service.

(c) Payment of the amount determined in accordance with Section 9.1 shall be in cash, in Common Stock or a combination of the both, as determined by the Committee.

(d) The Committee may impose such employment-related conditions on the grant of a Dividend Equivalent Right as it deems appropriate in its discretion.

(e) A Dividend Equivalent Right granted with respect to a Qualified Performance-Based Award may not be payable unless and until the Performance Goals have been achieved.

9.3 Other Types of Dividend Equivalent Rights. The Committee may establish a program under which Dividend Equivalent Rights of a type whether or not described in the foregoing provisions of this Section 9 may be granted to Participants. For example, and without limitation, the Committee may grant a dividend equivalent right with respect to a Restricted Stock Unit, which right would consist of the right to receive a cash payment in an amount equal to the dividend distributions paid on Shares from time to time.

10. OTHER EQUITY-BASED AWARDS

The Board shall have the right to grant other Awards based upon the Common Stock having such terms and conditions as the Board may determine.

11. PERFORMANCE GOALS

11.1 The Committee, in its discretion, (i) may establish one or more Performance Goals as a precondition to the issuance or vesting of Awards, and (ii) may provide, in connection with the establishment of the Performance Goals, for predetermined Awards to those Participants (who continue to meet all applicable eligibility requirements) with respect to whom the applicable Performance Goals are satisfied. Except with respect to Qualified Performance-Based Awards, the Committee may determine that satisfaction of the Performance Goals will be in its discretion.

11.2 Performance-Based Awards to Covered 162(m) Employees.

(a) In the case of any grant to a Covered 162(m) Employee intended to qualify as performance-based compensation under Section 162(m) of the Code (including, for these purposes, grants constituting performance-based compensation, as determined without regard to certain stockholder approval and disclosure requirements by virtue of an applicable transition rule) (a "**Qualified Performance-Based Award**"), the Committee shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Cycle and this Plan shall be interpreted and operated consistent with that intention. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or Participant.

(b) The Committee may designate any Award as a Qualified Performance-Based Award upon grant, in each case based upon a determination that (i) the Grantee is or may be a Covered 162(m) Employee with respect to such Award, and (ii) the Committee wishes such Award to qualify as performance-based compensation under Section 162(m) of the Code. The provisions of this Section 11.2 shall apply to all such Qualified Performance-Based Awards, notwithstanding any other provision of this Plan other than Section 15. Notwithstanding anything contained in this Section 11.2 to the contrary, Options and Stock Appreciation Rights need not satisfy the specific Performance Criteria described in this Section 11.2 in order to qualify as performance-based compensation under Section 162(m) of the Code.

(c) Each Qualified Performance-Based Award (other than an Option or Stock Appreciation Right) shall be earned, vested and payable (as applicable) only upon the achievement of one or more Performance Goals, which shall be based upon the Performance Criteria, together with the satisfaction of any other conditions, such as continued employment, as the Committee may determine to be appropriate; **provided that** (i) the Committee may provide, either in connection with the grant thereof or by amendment thereafter, that achievement of such Performance Goals will be waived upon the death or Disability of the Grantee, and (ii) the provisions of Section 15 shall apply notwithstanding this sentence.

(d) The Committee, in its discretion, may adjust or modify the calculation of Performance Goals for such Performance Cycle in order to prevent the dilution or enlargement of the rights of a Participant (i) in the event of, or in anticipation of, a Change in Control or any unusual or extraordinary corporate item, transaction, event or development, (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial

statements of the Company, or (iii) in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions.

(e) With respect to each Qualified Performance-Based Award, the Committee shall select, within the first 90 days of a Performance Cycle (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Qualified Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Committee may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Qualified Performance-Based Awards to different Covered 162(m) Employees.

(f) Following the completion of a Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to calculate and certify in writing the amount of the Qualified Performance-Based Award earned for the Performance Cycle. The Committee shall then determine the actual size of each Covered 162(m) Employee's Qualified Performance-Based Award, and, in doing so, may reduce or eliminate the amount of the Qualified Performance-Based Award for a Covered 162(m) Employee if, in its sole judgment, such reduction or elimination is appropriate.

(g) The maximum number of Shares payable to any one Covered 162(m) Employee under the Plan each year is 500,000 Shares (subject to adjustment as provided in Section 15 hereof) or \$5,000,000 in the case of Awards settled in cash.

12. TAX WITHHOLDING

12.1 In General. The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding determined by the Committee to be required by law. Without limiting the generality of the foregoing, the Committee may, in its discretion, require the Participant to pay to the Company at such time as the Committee determines the amount that the Committee deems necessary to satisfy the Company's obligation to withhold federal, state or local income or other taxes incurred by reason of (i) the exercise of any Option or Stock Appreciation Right, (ii) the lapsing of any restrictions applicable to any Restricted Stock, (iii) the receipt of a distribution in respect of Restricted Stock Units or Dividend Equivalent Rights or (iv) any other applicable income-recognition event (for example, an election under Section 83(b) of the Code).

12.2 Share Withholding.

(a) Upon exercise of an Option or Stock Appreciation Right, the Optionee may, if permitted in the Award Agreement or approved by the Committee in its discretion, make a written election to have Shares then issued withheld by the Company from the Shares otherwise to be received, or to deliver previously owned Shares, in order to satisfy the minimum required employer withholding liability for such withholding taxes. In the event that the Committee permits, and the

Optionee makes, such an election, the number of Shares so withheld or delivered shall have an aggregate Fair Market Value on the date of exercise sufficient to satisfy the applicable withholding taxes. Where the exercise of an Option or Stock Appreciation Right does not give rise to an obligation by the Company to withhold federal, state or local income or other taxes on the date of exercise, but may give rise to such an obligation in the future, the Committee may, in its discretion, make such arrangements and impose such requirements as it deems necessary or appropriate.

(b) Upon lapsing of restrictions on Restricted Stock (or other income-recognition event), the Grantee may, if permitted in the Award Agreement or approved by the Committee in its discretion, make a written election to have Shares withheld by the Company from the Shares otherwise to be released from restriction, or to deliver previously owned Shares (not subject to restrictions hereunder), in order to satisfy the minimum required employer withholding liability for such withholding taxes. In the event that the Award Agreement or the Committee permits, and the Grantee makes, such an election, the number of Shares so withheld or delivered shall have an aggregate Fair Market Value on the date of the lapsing of restrictions (or other income-recognition event) sufficient to satisfy the applicable withholding taxes.

(c) Upon the making of a distribution in respect of Restricted Stock Units or Dividend Equivalent Rights, the Grantee may, if permitted in the Award Agreement or approved by the Committee in its discretion, make a written election to have amounts (which may include Shares) withheld by the Company from the distribution otherwise to be made, or to deliver previously owned Shares (not subject to restrictions hereunder), in order to satisfy the minimum required employer withholding liability for such withholding taxes. In the event that the Award Agreement or the Committee permits, and the Grantee makes, such an election, any Shares so withheld or delivered shall have an aggregate Fair Market Value on the date of the distribution (or other income-recognition event) sufficient to satisfy the applicable withholding taxes.

(d) Upon the occurrence of any other income-recognition event with respect to an Award granted under the Plan that occurs upon or concurrently with the issuance or vesting of, or lapsing of restrictions on, Common Stock, the Grantee may, if permitted in the Award Agreement or approved by the Committee in its discretion, make a written election to have Shares withheld by the Company from the Shares otherwise to be issued, vested or released from restriction, or to deliver previously owned Shares (not subject to restrictions hereunder), in order to satisfy the minimum required employer withholding liability for the withholding taxes. In the event that the Award Agreement or the Committee permits, and the Grantee makes, such an election, the number of Shares so withheld or delivered shall have an aggregate Fair Market Value on the date of such income-recognition event sufficient to satisfy the applicable withholding taxes.

(e) For purposes of determining the number of Shares to be withheld or delivered to satisfy the applicable minimum required employer withholding taxes pursuant to this Section 12.2 of the Plan, the Fair Market Value of the Shares shall be calculated in the same manner as the Shares are valued for purposes of determining the amount of withholding taxes due.

12.3 Withholding Required. Notwithstanding anything contained in the Plan or the Award Agreement to the contrary, the Participant's satisfaction of any tax-withholding requirements imposed by the Committee shall be a condition precedent to the Company's obligation as may

otherwise be provided hereunder to provide Shares or cash to the Participant and to the release of any restrictions as may otherwise be provided hereunder, as applicable; and the applicable Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Units, Dividend Equivalent Right or other Award shall be forfeited upon the failure of the Participant to satisfy such requirements with respect to, as applicable, (i) the exercise of the Option or Stock Appreciation Right, (ii) the lapsing of restrictions on the Restricted Stock (or other income-recognition event), (iii) distributions in respect of any Restricted Stock Unit or Dividend Equivalent Right or (iv) any other income-recognition event with respect to an Award granted under the Plan.

13. REGULATIONS AND APPROVALS

13.1 The obligation of the Company to issue or sell Shares with respect to an Award granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

13.2 The Committee may make such changes to the Plan as may be necessary or appropriate to comply with the rules and regulations of any government authority or to obtain tax benefits applicable to an Award.

13.3 Each grant of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units (or issuance of Shares in respect thereof) or Dividend Equivalent Rights (or issuance of Shares in respect thereof), or other Award under Section 10 (or issuance of Shares in respect thereof), is subject to the requirement that, if at any time the Committee determines, in its discretion, that the listing, registration or qualification of Shares issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issuance of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights, other Awards or other Common Stock, no payment shall be made, or Restricted Stock Units or Shares issued or grant of Restricted Stock or other Award made or issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions in a manner acceptable to the Committee.

13.4 In the event that the disposition of Shares acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act, and is not otherwise exempt from such registration, such Shares shall be restricted against transfer to the extent required under the Securities Act, and the Committee may require any individual receiving Shares pursuant to the Plan, as a condition precedent to receipt of such Shares, to represent to the Company in writing that such Shares are acquired for investment only and not with a view to distribution and that such Shares will be disposed of only if registered for sale under the Securities Act or if there is an available exemption for such disposition.

13.5 Notwithstanding any other provision of the Plan, the Company shall not be required to take or permit any action under the Plan or any Award Agreement which, in the good-faith determination of the Company, would result in a material risk of a violation by the Company of Section 13(k) of the Exchange Act.

14. INTERPRETATION AND AMENDMENTS; OTHER RULES

The Committee may make such rules and regulations and establish such procedures for the administration of the Plan as it deems appropriate. Without limiting the generality of the foregoing, the Committee may (i) determine the extent, if any, to which Options, Stock Appreciation Rights, Restricted Stock Units or Common Stock (whether or not Restricted Stock) or Dividend Equivalent Rights shall be forfeited (whether or not such forfeiture is expressly contemplated hereunder); (ii) interpret the Plan and the Award Agreements hereunder, with such interpretations to be conclusive and binding on all persons and otherwise accorded the maximum deference permitted by law; and (iii) take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof. In the event of any dispute or disagreement as to the interpretation of the Plan or of any rule, regulation or procedure, or as to any question, right or obligation arising from or related to the Plan, the decision of the Committee shall be final and binding upon all persons. Unless otherwise expressly provided hereunder, the Committee, with respect to any grant, may exercise its discretion hereunder at the time of the Award or thereafter. The Board may amend the Plan as it shall deem advisable, except that no amendment may materially and adversely affect a Participant with respect to an Award previously granted without such Participant's consent unless such amendments are required in order to comply with applicable laws; **provided, however, that** the Plan may not be amended without stockholder approval in any case in which amendment in the absence of stockholder approval would cause the Plan to fail to comply with any applicable legal requirement or applicable exchange or similar rule. Except as provided in Section 15, (i) the Exercise Price of an outstanding Option or Stock Appreciation Right may not be reduced, directly or indirectly by cancellation, regrant or otherwise, without stockholder approval, (ii) an outstanding Option or Stock Appreciation Right with an Exercise Price in excess of the then Fair Market Value may not be cancelled for consideration payable in cash or equity securities of the Company without stockholder approval. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any Award may be subject to Section 409A, the Committee may adopt such amendment to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions that the Committee determines are necessary or appropriate, without the consent of the Participant, to (1) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award or (2) comply with the requirements of Section 409A.

15. CHANGES IN CAPITAL STRUCTURE

15.1 If (i) the Company or its Subsidiaries shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or Common Stock of the Company or its Subsidiaries or a transaction similar thereto, (ii) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization or other similar change in the capital structure of the Company or its Subsidiaries, or any distribution to holders of Common Stock other than cash dividends, shall occur or (iii) any other event shall occur which in the judgment of the Committee necessitates action by way of adjusting the terms of the outstanding Awards, then:

(a) the Committee shall appropriately adjust (i) the maximum aggregate number and kind of Shares or other securities which may be made subject to Awards under the Plan; (ii) the maximum number and kind of Shares or other securities that may be granted to an individual Participant under the Plan; and (iii) the number and kind of Shares or other securities subject to any then outstanding Awards under the Plan; and

(b) the Committee may take any such action as in its discretion shall be necessary to maintain each Participants' rights hereunder (including under their Award Agreements) with respect to Options, Stock Appreciation Rights, Restricted Stock Units and Dividend Equivalent Rights (and, as appropriate, other Awards under Section 10), so that they are substantially proportionate to the rights existing in such Options, Stock Appreciation Rights, Restricted Stock Units and Dividend Equivalent Rights (and other Awards under Section 10) prior to such event, including, without limitation, adjustments in (i) the number of Options, Stock Appreciation Rights, Restricted Stock Units and Dividend Equivalent Rights (and other Awards under Section 10) granted, (ii) the number and kind of Shares or other property to be distributed in respect of Options, Stock Appreciation Rights, Restricted Stock Units and Dividend Equivalent Rights (and other Awards under Section 10 as applicable), (iii) the Exercise Price and Restricted Stock Unit Value, (iv) the repurchase price, if any, per Share subject to each outstanding Restricted Stock, (v) the per-person limits under the Plan, and (vi) Performance Goals established in connection with Awards; **provided that**, in the discretion of the Committee, the foregoing clause (vi) may also be applied in the case of any event relating to a Subsidiary if the event would have been covered under this Section 15.1 had the event related to the Company.

To the extent that such action shall include an increase or decrease in the number of Shares (or units of other property then available) subject to all outstanding Awards, the number of Shares (or units) available under Section 4 shall be increased or decreased, as the case may be, proportionately, as may be determined by the Committee in its discretion.

15.2 If the Company shall be consolidated or merged with another corporation or other entity, each Grantee who has received Restricted Stock that is then subject to restrictions imposed by Section 7.3(a) may be required to deposit with the successor corporation the certificates, if any, for the Stock or securities or the other property that the Grantee is entitled to receive by reason of ownership of Restricted Stock in a manner consistent with Section 7.2(b), and such shares, securities or other property shall become subject to the restrictions and requirements imposed by Section 7.3(a), and the certificates therefor or other evidence thereof shall bear a legend similar in form and substance to the legend set forth in Section 7.2(a).

15.3 If a Change in Control shall occur, the Committee may, in its sole discretion, take one or more of the following actions with respect to all or some outstanding Awards:

(a) Provide that all (or some) outstanding Options and Stock Appreciation Rights that are not exercisable immediately prior to the effective time of the Change in Control shall (i) become fully or partially exercisable as of the effective time of the Change in Control or thereafter with respect to any time-based vesting conditions or restrictions; and/or (ii) become fully or partially exercisable as of the effective time of the Change in Control or thereafter with respect to any Performance Goals (A) at target levels, (B) based on actual performance achieved as of the Change

in Control or thereafter, or (C) at the greater or lesser of target levels or actual performance achieved as of the Change in Control or thereafter, and, in the case of clauses (A), (B) and (C), either (x) based on the full Performance Cycle or (y) pro-rata based on the time that has elapsed in the applicable Performance Cycle as of the date of the Change in Control or thereafter;

(b) Provide that all (or some) outstanding Awards (other than Options and Stock Appreciation Rights) shall (i) become fully or partially vested and nonforfeitable with respect to any time-based vesting conditions or restrictions as of the date of the Change in Control or thereafter; and/or (ii) become fully or partially vested and nonforfeitable with respect to any Performance Goals (A) at target levels, (B) based on actual performance achieved as of the Change in Control or thereafter, or (C) at the greater or lesser of target levels or actual performance achieved as of date of the Change in Control or thereafter, and, in the case of clauses (A), (B) and (C), either (x) based on the full Performance Cycle or (y) pro-rata based on the time that has elapsed in the applicable Performance Cycle as of the date of the Change in Control or thereafter;

(c) Make or provide for a cash payment to the Optionee holding an Option or Stock Appreciation Right, in exchange for the cancellation thereof, in an amount equal to the difference, if any, between (A) the consideration received by the stockholders of the Company in connection with the Change in Control multiplied by the number of Shares subject to such Option or Stock Appreciation Right (to the extent then exercisable (after taking into account any acceleration under this Section 15 or the applicable Award Agreement) and (B) the aggregate Exercise Price for the Stock that would be issued pursuant to the exercise of such Option or Stock Appreciation Right;

(d) Permit the Optionee, within a specified period of time prior to the consummation of the Change in Control, as determined by the Committee, to exercise such Option or Stock Appreciation Right as of, and subject to, the consummation of such Change in Control (to the extent such Option or Stock Appreciation Right would be exercisable as of the consummation of such Change in Control (after taking into account any acceleration under this Section 15 or the applicable Award Agreement);

(e) Provide for the assumption or continuation of an outstanding Award by a successor entity;

(f) Provide for the substitution of outstanding Awards with new Awards of a successor entity or parent thereof, with appropriate adjustment as to the number and kind of Shares or other securities and, if appropriate, the applicable Exercise Price; or

(g) Make such adjustments as it, in its discretion, determines are necessary or appropriate in light of the Change in Control, **provided that** the Committee determines that such adjustments do not have a material and adverse economic impact on the Participant as determined at the time of the adjustments.

15.4 Any adjustment made pursuant to this Section 15 applicable to Qualified Performance-Based Awards shall be consistent with the requirements of Section 162(m) of the Code (unless the Committee determines that such Qualified Performance-Based Award shall not longer be qualified performance-based compensation for purposes of Section 162(m) of the Code).

15.5 The judgment of the Committee with respect to any matter referred to in this Section 15 shall be conclusive and binding upon each Participant without the need for any amendment to the Plan.

16. MISCELLANEOUS

16.1 **No Rights to Employment or Other Service.** Nothing in the Plan or in any grant made pursuant to the Plan shall confer on any individual any right to continue in the employ or other service of the Company or its Subsidiaries or interfere in any way with the right of the Company or its Subsidiaries and its stockholders to terminate the individual's employment or other service at any time. Any Option granted under the Plan shall not confer upon the Optionee any right as a stockholder of the Company prior to the issuance of Shares pursuant to the exercise thereof. No person entitled to exercise any Option granted under the Plan shall have any of the rights or privileges of a stockholder of record with respect to any Shares issuable upon exercise of such Option until certificates representing such Shares have been issued and delivered.

16.2 **Right of First Refusal; Right of Repurchase.** At the time of grant, the Committee may provide in connection with any grant made under the Plan that Shares received hereunder shall be subject to a right of first refusal pursuant to which the Company shall be entitled to purchase such Shares in the event of a prospective sale of the Shares, subject to such terms and conditions as the Committee may specify at the time of grant or (if permitted by the Award Agreement) thereafter, and to a right of repurchase, pursuant to which the Company shall be entitled to purchase such Shares at a price determined by, or under a formula set by, the Committee at the time of grant or (if permitted by the Award Agreement) thereafter.

16.3 **No Fiduciary Relationship.** Nothing contained in the Plan and no action taken pursuant to the provisions of the Plan, shall create or shall be construed to create a trust of any kind, or a fiduciary relationship between the Company or its Subsidiaries, or their officers or the Committee, on the one hand, and the Participant, the Company, its Subsidiaries or any other person or entity, on the other. No Participant or any Eligible Participant shall have any claim to be granted any Award under the Plan. Neither the Company, its Affiliates nor the Committee is obligated to treat Participants or Eligible Participants uniformly, and determinations made under the Plan may be made by the Committee selectively among Eligible Participants who receive, or are eligible to receive, Awards (whether or not such Eligible Participants are similarly situated).

16.4 **No Fund Created.** Any and all payments hereunder to any Participant under the Plan shall be made from the general funds of the Company (or, if applicable, the fund of a Subsidiary or affiliate), no special or separate fund shall be established or other segregation of assets made to assure such issuances and payments, and the Restricted Stock Units and any other similar devices issued hereunder to account for Plan obligations do not constitute Common Stock and shall not be treated as (or as giving rise to) property or as a trust fund of any kind; **provided, however, that** the Company may establish a mere bookkeeping reserve to meet its obligations hereunder or a trust or other funding vehicle that would not cause the Plan to be deemed to be funded for tax purposes or for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended. The obligations of the Company under the Plan are unsecured and constitute a mere promise by the Company to make benefit payments in the future and, to the extent that any person acquires a right

to receive payments under the Plan from the Company, such right shall be no greater than the right of a general unsecured creditor of the Company. (If any Subsidiary or affiliate of the Company is or is made responsible with respect to any Awards, the foregoing sentence shall apply with respect to such Subsidiary or affiliate.) Without limiting the foregoing, Restricted Stock Units and any other similar devices issued hereunder to account for Plan obligations are solely a device for the measurement and determination of the amounts to be paid to a Grantee under the Plan, and each Grantee's right in the Restricted Stock Units and any such other devices is limited to the right to receive payment, if any, as may herein be provided.

16.5 Notices. All notices under the Plan shall be in writing, and if to the Company, shall be delivered to the Board or mailed to its principal office, addressed to the attention of the Board; and if to the Participant, shall be delivered personally, sent by facsimile transmission or mailed to the Participant at the address appearing in the records of the Company. Such addresses may be changed at any time by written notice to the other party given in accordance with this Section 16.5.

16.6 Exculpation and Indemnification. No member of the Board or the Committee shall be liable for any act or omission to act in connection with the performance of such person's duties, responsibilities and obligations under the Plan, including any exercise of discretion, except to the extent required by law. The Company shall indemnify and hold harmless the members of the Board and the members of the Committee from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act or omission to act in connection with the performance of such person's duties, responsibilities and obligations under the Plan, to the maximum extent permitted by law.

16.7 Captions. The use of captions in this Plan is for convenience. The captions are not intended to provide substantive rights.

16.8 Governing Law. THE PLAN AND ALL AWARD AGREEMENTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MARYLAND WITHOUT REFERENCE TO PRINCIPLES OF CONFLICT OF LAWS.

16.9 Section 409A.

(a) Awards granted under the Plan are intended to be exempt from Section 409A. To the extent that the Plan or any Award is not exempt from the requirements of Section 409A, the Plan or such Award is intended to comply with the requirements of Section 409A and shall be limited, construed and interpreted in accordance with such intent. Notwithstanding the foregoing, in no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on a Participant by Section 409A or any damages for failing to comply with Section 409A.

(b) Notwithstanding anything in the Plan or in any Award Agreement to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A would otherwise be payable or distributable, or a different form of payment (*e.g.*, lump sum or instalment) would be effected, under the Plan or any Award Agreement by reason of the occurrence of a Change in Control, or the Participant's Disability

or Termination of Service, such amount or benefit will not be payable or distributable to the Participant, and/or such different form of payment will not be effected, by reason of such circumstance unless the circumstances giving rise to such Change in Control, Disability or Termination of Service meet the description or definition of "change in control event", "disability" or "separation from service", as applicable, in Section 409A (without giving effect to any elective provisions that may be available under such definition). This provision does not prohibit the vesting of any Award upon a Change in Control, Disability or Termination of Service, however defined. If this provision prevents the payment or distribution of any amount or benefit, or the application of a different form of payment of any amount or benefit, such payment or distribution shall be made at the time and in the form that would have applied absent the Change in Control, Disability or Termination of Service, as applicable.

(c) If any one or more Awards granted under the Plan to a Participant could qualify for any separation pay exemption described in Treas. Reg. Section 1.409A-1(b)(9), but such Awards in the aggregate exceed the dollar limit permitted for the separation pay exemptions, the Committee shall determine which Awards or portions thereof will be subject to such exemptions.

(d) Notwithstanding anything in the Plan or in any Award Agreement to the contrary, if any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A would otherwise be payable or distributable under this Plan or any Award Agreement by reason of a Participant's Termination of Service during a period in which the Participant is a Specified Employee, then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j) (4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes): (i) the amount of such non-exempt deferred compensation that would otherwise be payable during the six-month period immediately following the Participant's Termination of Service will be accumulated through and paid or provided on the first day of the seventh month following the Participant's Termination of Service (or, if the Participant dies during such period, within 30 days after the Participant's death); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of such delay period.

(e) If, pursuant to an Award, a Participant is entitled to a series of instalment payments, such Participant's right to the "series of instalment payments" (as described in Treas. Reg. Section 1.409A-2(b)(2)(iii)) shall be treated as a right to a series of separate payments and not to a single payment.

16.10 Severability. If any provision of this Plan is held to be illegal or invalid for any reason, that illegality or invalidity shall not affect the remaining portions of this Plan, but such provision shall be fully severable and this Plan shall be construed and enforced as if the illegal or invalid provision had never been included in this Plan. Such an illegal or invalid provision shall be replaced by a revised provision that most nearly comports to the substance of the illegal or invalid provision. If any of the terms or provisions of this Plan or any Award Agreement conflict with the requirements of all applicable laws and regulations, those conflicting terms or provisions shall be deemed inoperative to the extent they conflict with any applicable laws or regulations.

16.11 **Transferability.** Each Award granted under the Plan shall be nontransferable by the Grantee except by will or the laws of descent and distribution of the State wherein the Grantee or Optionee is domiciled at the time of his death; **provided, however, that** the Committee may permit other transfers, where the Committee concludes that such transferability (i) does not result in accelerated U.S. federal income taxation, and (ii) is otherwise appropriate and desirable.

16.12 **Trading Restrictions.** All Shares issuable under the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Common Stock is listed, quoted, or traded. The Committee may place legends on any share certificate or issue instructions to the transfer agent to reference restrictions applicable to the Shares.

16.13 **Clawback.** Notwithstanding any provisions in this Plan or any Award Agreement to the contrary, to the extent required by (i) applicable law, including, without limitation, the requirements of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, and/or (ii) any policy that may be adopted by the Company, amounts paid or payable or Share issued or issuable pursuant to this Plan or any Award Agreement shall be subject to clawback to the extent necessary to comply with such law(s) and/or policy, which clawback may include forfeiture of Awards and/or repayment of amounts paid or payable and Shares issued or issuable pursuant to this Plan or any Award Agreement.

16.14 **Other Benefits.** No payment or benefit under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or its Subsidiaries or other affiliates unless provided otherwise in such other plan. Nothing contained in the Plan will prevent the Company from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

16.15 **Authority of the Company.** The grant of any Award shall not in any way affect the right or power of the Company to make adjustments, reclassification or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets. The Plan shall not restrict the authority of the Company, for proper corporate purposes, to assume, continue or substitute awards, other than under the Plan, to or with respect to any person. If the Committee so directs, the Company may issue or transfer Shares to a Subsidiary or affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Subsidiary or affiliate will transfer such Shares to a Participant in accordance with the terms of an Award granted to such Participant and specified by the Committee pursuant to the provisions of the Plan.

EQUITY LIFESTYLE PROPERTIES, INC.

2014 EQUITY INCENTIVE PLAN

FORM OF RESTRICTED SHARE AWARD AGREEMENT

Restricted Share Award Agreement (this “Agreement”) dated as of the [] day of [], 20[] (the “Award Date”), by and between Equity Lifestyle Properties, Inc., a Maryland corporation (the “Company”), and _____ (the “Grantee”).

WHEREAS, the Company maintains the Equity Lifestyle Properties, Inc. 2014 Equity Incentive Plan (the “Plan”) (capitalized terms used but not defined herein shall have the respective meanings ascribed thereto by the Plan);

WHEREAS, under the Plan the Company may grant awards to its employees, directors and other persons who provide services to the Company;

WHEREAS, the Grantee is an Eligible Person under the terms of the Plan; and

WHEREAS, in accordance with the Plan, the Committee has determined that it is in the best interests of the Company and its stockholders to grant shares of Common Stock to the Grantee subject to the terms and conditions set forth below.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Grant of Shares.

The Company hereby grants the Grantee _____ shares of Common Stock (the “Shares”), subject to the following terms and conditions and subject to the provisions of the Plan (the “Award”). The Plan is hereby incorporated herein by reference as though set forth herein in its entirety. The Grantee hereby accepts the Shares on such terms and conditions.

2. Vesting and Forfeiture.

Grantee’s interest in the Shares will vest and become nonforfeitable as follows:

_____ Shares [•]

_____ Shares [•]

_____ Shares [•]

Except as set forth in this Section 2, if the Grantee has a Termination of Service for any reason before his or her interest in all of the Shares has become vested and nonforfeitable, then Grantee shall forfeit his or her right to receive all such Shares which have not become so vested and nonforfeitable before the date of his or her Termination of Service.

Notwithstanding the foregoing, the Shares shall automatically vest in the event of a Change in Control occurring prior to a Termination of Service or in the event that the Grantee has a Termination of Service by reason of death or Disability.

3. Withholding Taxes.

The Grantee acknowledges that he or she generally will be required to recognize income for federal, state and/or local income tax purposes upon the vesting or grant of the Shares, and that such income generally will be subject to withholding of tax by the Company. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to the Award, the Grantee will pay to the Company or, if appropriate, any of its affiliates, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The Grantee may choose to make payment of such withholding amount by (a) providing a cash payment in the form of a personal check or transfer of funds by wire payable to the Company, thereby receiving the total number of vested Shares, (b) a reduction in vested Shares having a Fair Market Value equivalent to the applicable withholding amount calculated by the Company at the close of business on the date on which such shares are vested, thereby resulting in a net amount of Shares vested to the Grantee, or (c) a combination of a reduction in vested Shares having a Fair Market Value equivalent to the amount calculated by the Company at the close of business the date on which such shares are vested plus any remaining withholding amount in a cash payment in the form of a personal check or transfer of funds by wire payable to the Company that satisfies the withholding obligations of the Grantee. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

4. Voting Rights; Dividends; Capital Changes.

The Grantee shall have the full power to vote all of the Shares (including any unvested Shares) from time to time after the Award Date, and shall be entitled to receive all dividends declared upon any of the Shares (including any unvested Shares) from time to time after the Award Date (net of all applicable withholding taxes). All shares of capital stock or other securities issued with respect to any of the Shares or in substitution thereof, whether by the Company or by another issuer, shall be subject to all of the terms of this Agreement and may be forfeited to the Company under the same circumstances as the Shares with respect to, or in substitution for, which they were issued.

5. No Rights to Employment.

Neither this Agreement nor the Plan shall confer upon the Grantee any rights of employment with the Company, including, without limitation, any right to continue in the employ of the Company, or shall affect the right of the Company to terminate the employment of the Grantee at any time, with or without cause.

6. Compliance with Law.

This Agreement, the Award and the obligation of the Company to grant and/or deliver Shares hereunder shall be subject in all respects to (a) all applicable federal, state and/or local laws, rules and regulations and (b) any registration, qualification, approval or other requirement imposed by any government or regulatory agency or body which the Committee, in its discretion, determines to be necessary or applicable. If at any time the Company determines, in its discretion, that the listing, registration or qualification of the Shares upon any national securities exchange or under any state or

Federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, then the Company shall not be required to deliver any certificates representing the Shares to the Grantee or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

7. Miscellaneous.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAW WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(b) The Committee may make such rules and regulations and establish such procedures for the administration of this Agreement as it deems appropriate. Without limiting the generality of the foregoing, the Committee may interpret the Plan and this Agreement, with such interpretations to be conclusive and binding on all persons and otherwise accorded the maximum deference permitted by law, and take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan, this Agreement or the administration or interpretation thereof. In the event of any dispute or disagreement as to interpretation of the Plan or this Agreement or of any rule, regulation or procedure, or as to any question, right or obligation arising from or related to the Plan or this Agreement, the decision of the Committee, shall be final and binding upon all persons.

(c) All notices hereunder shall be in writing, and if to the Company or the Committee, shall be delivered to the Board or mailed to the Company's principal office, addressed to the attention of the Board; and if to the Grantee, shall be delivered personally, sent by facsimile transmission or mailed to the Grantee at the address appearing in the records of the Company. Such addresses may be changed at any time by written notice to the other party given in accordance with this paragraph.

(d) The failure of the Grantee or the Company to insist upon strict compliance with any provision of this Agreement, or to assert any right the Grantee or the Company, respectively, may have under this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(e) This Agreement (including the Plan) contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

(f) This Agreement and all terms and conditions hereof shall be binding upon the parties hereto, and their successors, heirs, legatees and legal representatives.

(g) Neither this Agreement nor the Plan shall confer upon the Grantee any rights of employment with the Company, including, without limitation, any right to continue in the employ of the Company, or shall affect the right of the Company to terminate the employment of the Grantee at any time, with or without cause.

(h) This Agreement may be executed in any number of counterparts, including via facsimile, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

(i) Except as otherwise provided in the Plan, no amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

(j) Notwithstanding any provisions in this Agreement to the contrary, to the extent required by (i) applicable law, including, without limitation, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and/or (ii) any policy that may be adopted by the Company, the Shares paid or payable pursuant to this Agreement shall be subject to clawback to the extent necessary to comply with such law(s) and/or policy, which clawback may include forfeiture of the Shares and/or repayment of amounts paid or payable pursuant to this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Agreement as of the Award Date.

EQUITY LIFESTYLE PROPERTIES, INC.

By: __

Name:

Title:

[Name of Grantee]

EQUITY LIFESTYLE PROPERTIES, INC.

2014 EQUITY INCENTIVE PLAN

FORM OF OPTION AWARD AGREEMENT

Option Award Agreement (this "Agreement") dated as of the [] day of [], 20[], by and between Equity Lifestyle Properties, Inc., a Maryland corporation (the "Company") and _____ (the "Optionee"),

WHEREAS, the Company maintains the Equity Lifestyle Properties, Inc. 2014 Equity Incentive Plan (the "Plan") (capitalized terms used but not defined herein shall have the respective meanings ascribed thereto by the Plan);

WHEREAS, in accordance with the Plan, the Company may from time to time grant awards of Options to its employees, directors and other persons who provide services to the Company;

WHEREAS, the Optionee is an Eligible Person under the terms of the Plan; and

WHEREAS, in accordance with the Plan, the Committee has determined that it is in the best interests of the Company and its stockholders to grant an Option to the Optionee subject to the terms and conditions set forth below.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Grant of Stock Option.

The Company hereby grants the Optionee an option (the "Option") to purchase _____ shares of Common Stock ("Shares"), subject to the following terms and conditions and subject to the provisions of the Plan. The Plan is hereby incorporated herein by reference as though set forth herein in its entirety. To the extent the terms or conditions in this Agreement conflict with any provision of the Plan, the terms and conditions set forth herein shall govern.

The Option is not intended to be and shall not be qualified as an "incentive stock option" under Section 422 of the Code.

2. Exercise Price.

The Exercise Price per Share shall be \$[●].

3. Initial Exercisability.

(a) Subject to Paragraph 5 below, the Option, to the extent that there has been no Termination of Service and the Option has not otherwise expired or been forfeited, shall first become exercisable as follows:

_____ Shares [•]

_____ Shares [•]

_____ Shares [•]

The Option shall become fully exercisable upon a Change in Control occurring prior to Termination of Service or Termination of Service by reason of death or Disability.

4. Termination of Service.

(a) If the Optionee has a Termination of Service, other than by reason of death or Disability, the Option as then exercisable may be exercised by the Optionee during the 90-day period following the Termination of Service, or if earlier, the expiration of the term of the Option as provided under Paragraph 5 below; provided that, (i) if the Optionee dies during such 90-day period, the Successor of the Optionee may exercise the Option until the earlier of (x) 12 months from the date of the Termination of Service of the Optionee, or (y) the date on which the term of the Option expires in accordance with Paragraph 5 below, and (ii) if the Optionee has a Termination of Service by a Participating Company for Cause, any Option not exercised in full prior to such Termination of Service shall be cancelled.

(b) In the event the Optionee has a Termination of Service on account of death or Disability, the Option as then exercisable may be exercised by the Optionee or the Successor of the Optionee, as applicable, until the earlier of (i) 12 months from the date of the Termination of Service of the Optionee, or (ii) the date on which the term of the Option expires in accordance with Paragraph 5 below.

(c) Except as otherwise provided by the Committee, no Option (or portion thereof) which had not become exercisable at or before the time of Termination of Service shall ever be or become exercisable. No provision of this Paragraph 4 is intended to or shall permit the exercise of the Option to the extent the Option was not exercisable upon Termination of Service.

5. Term.

Unless earlier forfeited, the Option shall, notwithstanding any other provision of this Agreement, expire in its entirety upon the tenth anniversary of the date hereof. The Option shall also expire and be forfeited at such earlier times and in such circumstances as otherwise provided hereunder or under the Plan.

6. Compliance with Law.

This Agreement, the Option and the obligation of the Company to grant and/or deliver Shares hereunder shall be subject in all respects to (a) all applicable federal, state and/or local laws, rules and regulations and (b) any registration, qualification, approval or other requirement imposed by any government or regulatory agency or body which the Committee, in its discretion, determines to be necessary or applicable. If at any time the Company determines, in its discretion, that the listing, registration or qualification of the Shares upon any national securities exchange or under any state or Federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, then the Company shall not be required to deliver any certificates representing the Shares to the Optionee or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

7. Miscellaneous.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAW WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(b) The Committee may make such rules and regulations and establish such procedures for the administration of this Agreement as it deems appropriate. Without limiting the generality of the foregoing, the Committee may interpret the Plan and this Agreement, with such interpretations to be conclusive and binding on all persons and otherwise accorded the maximum deference permitted by law, and take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan, this Agreement or the administration or interpretation thereof. In the event of any dispute or disagreement as to interpretation of the Plan or this Agreement or of any rule, regulation or procedure, or as to any question, right or obligation arising from or related to the Plan or this Agreement, the decision of the Committee, shall be final and binding upon all persons.

(c) All notices hereunder shall be in writing, and if to the Company or the Committee, shall be delivered to the Board or mailed to the Company's principal office, addressed to the attention of the Board; and if to the Optionee, shall be delivered personally, sent by facsimile transmission or mailed to the Optionee at the address appearing in the records of the Company. Such addresses may be changed at any time by written notice to the other party given in accordance with this paragraph.

(d) The failure of the Optionee or the Company to insist upon strict compliance with any provision of this Agreement, or to assert any right the Optionee or the Company, respectively, may have under this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(e) The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding it determines to be required by law.

(f) Neither this Agreement nor the Plan shall confer upon the Optionee any rights of employment with the Company, including, without limitation, any right to continue in the employ of the Company, or shall affect the right of the Company to terminate the employment of the Optionee at any time, with or without cause.

(g) This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

(h) This Agreement may be executed in any number of counterparts, including via facsimile, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

(i) Except as otherwise provided in the Plan, no amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

(j) Notwithstanding any provisions in this Agreement to the contrary, to the extent required by (i) applicable law, including, without limitation, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and/or (ii) any policy that may be adopted by the Company, the options and Shares paid or payable pursuant to this Agreement shall be subject to clawback to the extent necessary to comply with such law(s) and/or policy, which clawback may include forfeiture of the options and Shares and/or repayment of amounts paid or payable pursuant to this Agreement.

(k) This Agreement and all terms and conditions hereof shall be binding upon the parties hereto, and their successors, heirs, legatees and legal representatives.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Optionee have executed this Agreement as of the day and year first above written.

EQUITY LIFESTYLE PROPERTIES, INC.

By: __

Name:

Title:

[Name of Optionee]