

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q/A  
(Amendment No. 1)**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2023**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from            to**

**Commission file number: 1-11718**

**EQUITY LIFESTYLE PROPERTIES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Maryland**

(State or other jurisdiction of incorporation)

**Two North Riverside Plaza, Suite 800      Chicago, Illinois**

(Address of Principal Executive Offices)

**36-3857664**

(IRS Employer Identification Number)

**60606**

(Zip Code)

**(312) 279-1400**

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, \$0.01 Par Value</b>	<b>ELS</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 186,392,726 shares of Common Stock as of October 17, 2023.

## Explanatory Note

This Amendment No. 1 on Form 10-Q/A (the “Amended Report”) amends and restates certain items noted below in the Quarterly Report on Form 10-Q of Equity Lifestyle Properties (the “Company”) for the quarter ended September 30, 2023, originally filed with the Securities and Exchange Commission (“SEC”) on October 24, 2023 (the “Original Report”).

### Background and Effect of Restatement

The Company received from the SEC a comment letter (“Comment Letter”) issued in the ordinary course of the SEC’s review of our disclosures. As a result of our research and consideration of a question raised in the Comment Letter, we previously disclosed in our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2023 and September 30, 2023 the correction of an error, described below, related to the classification of cash outflows associated with the purchase of manufactured homes in the Consolidated Statements of Cash Flows. Based on an analysis of quantitative and qualitative factors in accordance with SEC Staff Accounting Bulletins 99, *Materiality* and 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, the Company and the Audit Committee of the Board of Directors (the “Audit Committee”), previously concluded that this error was immaterial. Following receipt of a further Comment Letter in which the Staff of the SEC informed the Company it disagreed with the materiality conclusion, the Company and the Audit Committee, on January 19, 2024, determined that the error was material to its previously issued financial statements, as included in the Annual Report on Form 10-K for the year ended December 31, 2022 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (the “Prior Period Financial Statements”). During the period of time following receipt of the initial Comment Letter, the Company along with the Audit Committee has discussed with Ernst & Young LLP (“EY”), our independent registered public accounting firm, the matters described herein.

As a result of the foregoing, the Company and the Audit Committee determined that the Prior Period Financial Statements, as well as, any reports, related earnings releases, investor presentations or similar communications of the Company’s Prior Period Financial Statements should no longer be relied upon.

The Company previously classified cash outflows associated with the purchase of manufactured homes within investing activities in the Consolidated Statements of Cash Flows. Based on the predominance principle in ASC 230-10-45-22, the Company determined that all of the cash flows associated with the purchase and sale of manufactured homes should be classified within operating activities in the Consolidated Statements of Cash Flows.

There was no impact to Cash and restricted cash, the Consolidated Statements of Income and Comprehensive Income, Consolidated Balance Sheets, Consolidated Statements of Changes in Equity for any periods presented in the Prior Period Financial Statements, or our ability to maintain compliance with covenants contained in our debt facilities or other contractual requirements.

The Company along with the Audit Committee has discussed with EY the matters disclosed in this Amended Report.

### Items Amended in this Filing

For the convenience of the reader, this Amended Report presents the Original Report in its entirety, subject to the changes described below.

The Company is filing this Amended Report in order to amend the following items (the “Amended Items”) of the Original Report:

- Part I, Item 1. Financial Statements, including the Notes to Consolidated Financial Statements—Note 2. Summary of Significant Accounting Policies (*e*) *Prior period correction*
- Part I, Item 2. Management’s Discussion & Analysis, including our Non-GAAP financial measures definitions, calculations and reconciliations (for further information see Items 2.02 and 9.01 on the Company’s Form 8-K filed on January 22, 2024)
- Part I, Item 4. Controls and Procedures
- Part II, Item 1A. Risk Factors
- Part II, Item 6. Exhibits

This Amended Report also includes revisions and updates to certain other information including, but not limited to, cross-references, an updated signature page and other conforming changes. Pursuant to the rules of the SEC, the exhibit list included

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in Part II, Item 6. Exhibits, of the Original Report has been amended and restated to include updates to applicable exhibits, consisting of currently-dated certifications.

Except for the Amended Items, this Amended Report is presented as of the date of the Original Report and has not been updated to reflect events, results or developments that occurred or facts that became known to us subsequent to the filing of the Original Report other than the Amended Items and those associated with the restatement of our consolidated financial statements.

### **Control Considerations**

As previously disclosed in our Amended Quarterly Reports on Form 10-Q/A for the quarters ended March 31, 2023 and June 30, 2023, management concluded that the Company's disclosure controls and procedures as well as its internal control over financial reporting were not effective due to a material weakness related to the lack of an effectively designed control activity related to the evaluation of the classification of cash flows pursuant to the predominance principle in ASC 230 associated with the purchase and sale of manufactured homes within the Company's Consolidated Statements of Cash Flows. During the quarter ended June 30, 2023, the Company enhanced its control activities related to the evaluation of the classification of cash flows pursuant to the predominance principle in ASC 230 associated with the purchase and sale of manufactured homes. We tested the enhanced control activities as of June 30, 2023 and September 30, 2023, and management has concluded, through its testing, that the control is operating effectively and the material weakness was remediated as of September 30, 2023. See Part I, Item 4. Controls and Procedures.

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Equity LifeStyle Properties, Inc.

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## Part I – Financial Information

### Item 1. Financial Statements

**Equity LifeStyle Properties, Inc.**  
**Consolidated Balance Sheets**  
(amounts in thousands, except share and per share data)

	September 30, 2023 (unaudited)	December 31, 2022
<b>Assets</b>		
Investment in real estate:		
Land	\$ 2,088,657	\$ 2,084,532
Land improvements	4,307,943	4,115,439
Buildings and other depreciable property	1,228,897	1,169,590
	7,625,497	7,369,561
Accumulated depreciation	(2,401,384)	(2,258,540)
Net investment in real estate	5,224,113	5,111,021
Cash and restricted cash	59,680	22,347
Notes receivable, net	49,684	45,356
Investment in unconsolidated joint ventures	84,328	81,404
Deferred commission expense	53,180	50,441
Other assets, net	155,306	181,950
<b>Total Assets</b>	<b>\$ 5,626,291</b>	<b>\$ 5,492,519</b>
<b>Liabilities and Equity</b>		
Liabilities:		
Mortgage notes payable, net	\$ 3,005,034	\$ 2,693,167
Term loan, net	497,422	496,817
Unsecured line of credit	—	198,000
Accounts payable and other liabilities	189,090	175,148
Deferred membership revenue	216,021	197,743
Accrued interest payable	12,296	11,739
Rents and other customer payments received in advance and security deposits	121,930	122,318
Distributions payable	87,491	80,102
<b>Total Liabilities</b>	<b>4,129,284</b>	<b>3,975,034</b>
Equity:		
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized as of September 30, 2023 and December 31, 2022; none issued and outstanding.	—	—
Common stock, \$0.01 par value, 600,000,000 shares authorized as of September 30, 2023 and December 31, 2022; 186,390,612 and 186,120,298 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively.	1,917	1,916
Paid-in capital	1,641,553	1,628,618
Distributions in excess of accumulated earnings	(232,081)	(204,248)
Accumulated other comprehensive income	15,564	19,119
Total Stockholders' Equity	1,426,953	1,445,405
Non-controlling interests – Common OP Units	70,054	72,080
<b>Total Equity</b>	<b>1,497,007</b>	<b>1,517,485</b>
<b>Total Liabilities and Equity</b>	<b>\$ 5,626,291</b>	<b>\$ 5,492,519</b>

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

**Equity LifeStyle Properties, Inc.**  
**Consolidated Statements of Income and Comprehensive Income**  
(amounts in thousands, except per share data)  
(unaudited)

	Quarters Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
Rental income	\$ 303,334	\$ 289,016	\$ 888,440	\$ 849,411
Annual membership subscriptions	16,673	16,254	48,832	47,003
Membership upgrade sales	3,744	3,308	10,863	9,543
Other income	15,658	15,580	51,283	43,316
Gross revenues from home sales, brokered resales and ancillary services	44,795	52,547	115,841	144,937
Interest income	2,276	1,865	6,623	5,346
Income from other investments, net	2,333	2,399	6,897	6,920
Total revenues	<u>388,813</u>	<u>380,969</u>	<u>1,128,779</u>	<u>1,106,476</u>
<b>Expenses:</b>				
Property operating and maintenance	126,846	123,181	361,543	341,480
Real estate taxes	19,017	17,734	56,165	56,373
Membership sales and marketing	5,696	5,937	16,055	15,720
Property management	19,887	19,003	58,710	55,973
Depreciation and amortization	50,968	52,547	152,934	152,737
Cost of home sales, brokered resales and ancillary services	33,471	40,224	85,880	111,894
Home selling expenses and ancillary operating expenses	7,164	7,080	21,258	21,146
General and administrative	9,895	11,086	38,163	34,834
Casualty-related charges/(recoveries), net	—	—	—	—
Other expenses	1,338	1,627	4,187	6,880
Early debt retirement	68	—	68	1,156
Interest and related amortization	33,434	29,759	99,144	85,276
Total expenses	<u>307,784</u>	<u>308,178</u>	<u>894,107</u>	<u>883,469</u>
Loss on sale of real estate and impairment, net	(949)	(3,747)	(3,581)	(3,747)
Income before equity in income of unconsolidated joint ventures	80,080	69,044	231,091	219,260
Equity in income of unconsolidated joint ventures	661	1,465	2,158	2,889
Consolidated net income	<u>80,741</u>	<u>70,509</u>	<u>233,249</u>	<u>222,149</u>
Income allocated to non-controlling interests – Common OP Units	(3,772)	(3,346)	(10,981)	(10,563)
Redeemable perpetual preferred stock dividends	—	—	(8)	(8)
<b>Net income available for Common Stockholders</b>	<u><b>\$ 76,969</b></u>	<u><b>\$ 67,163</b></u>	<u><b>\$ 222,260</b></u>	<u><b>\$ 211,578</b></u>
Consolidated net income	\$ 80,741	\$ 70,509	\$ 233,249	\$ 222,149
Other comprehensive income (loss):				
Adjustment for fair market value of swaps	(1,763)	4,235	(3,555)	16,952
Consolidated comprehensive income	<u>78,978</u>	<u>74,744</u>	<u>229,694</u>	<u>239,101</u>
Comprehensive income allocated to non-controlling interests – Common OP Units	(3,690)	(3,547)	(10,814)	(11,370)
Redeemable perpetual preferred stock dividends	—	—	(8)	(8)
<b>Comprehensive income attributable to Common Stockholders</b>	<u><b>\$ 75,288</b></u>	<u><b>\$ 71,197</b></u>	<u><b>\$ 218,872</b></u>	<u><b>\$ 227,723</b></u>
<b>Earnings per Common Share – Basic</b>	\$ 0.41	\$ 0.36	\$ 1.19	\$ 1.14
<b>Earnings per Common Share – Fully Diluted</b>	\$ 0.41	\$ 0.36	\$ 1.19	\$ 1.14
Weighted average Common Shares outstanding – Basic	186,100	185,814	186,008	185,758
Weighted average Common Shares outstanding – Fully Diluted	195,440	195,269	195,414	195,248

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

**Equity LifeStyle Properties, Inc.**  
**Consolidated Statements of Changes in Equity**  
(amounts in thousands)  
(unaudited)

	Common Stock	Paid-in Capital	Redeemable Perpetual Preferred Stock	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests - Common OP Units	Total Equity
<b>Balance as of December 31, 2022</b>	<b>\$ 1,916</b>	<b>\$ 1,628,618</b>	<b>\$ —</b>	<b>\$ (204,248)</b>	<b>\$ 19,119</b>	<b>\$ 72,080</b>	<b>\$ 1,517,485</b>
Exchange of Common OP Units for Common Stock	—	198	—	—	—	(198)	—
Issuance of Common Stock through employee stock purchase plan	—	363	—	—	—	—	363
Compensation expenses related to restricted stock and stock options	—	2,549	—	—	—	—	2,549
Repurchase of Common Stock or Common OP Units	—	(1,932)	—	—	—	—	(1,932)
Adjustment for Common OP Unitholders in the Operating Partnership	—	168	—	—	—	(168)	—
Adjustment for fair market value of swap	—	—	—	—	(3,978)	—	(3,978)
Consolidated net income	—	—	—	82,371	—	4,088	86,459
Distributions	—	—	—	(83,326)	—	(4,136)	(87,462)
Other	—	(98)	—	—	—	—	(98)
<b>Balance as of March 31, 2023</b>	<b>\$ 1,916</b>	<b>\$ 1,629,866</b>	<b>\$ —</b>	<b>\$ (205,203)</b>	<b>\$ 15,141</b>	<b>\$ 71,666</b>	<b>\$ 1,513,386</b>
Issuance of Common Stock through employee stock purchase plan	—	504	—	—	—	—	504
Compensation expenses related to restricted stock and stock options	—	8,584	—	—	—	—	8,584
Adjustment for Common OP Unitholders in the Operating Partnership	—	(503)	—	—	—	503	—
Adjustment for fair market value of swap	—	—	—	—	2,186	—	2,186
Consolidated net income	—	—	8	62,920	—	3,121	66,049
Distributions	—	—	(8)	(83,357)	—	(4,135)	(87,500)
Other	—	(97)	—	—	—	—	(97)
<b>Balance as of June 30, 2023</b>	<b>\$ 1,916</b>	<b>\$ 1,638,354</b>	<b>\$ —</b>	<b>\$ (225,640)</b>	<b>\$ 17,327</b>	<b>\$ 71,155</b>	<b>\$ 1,503,112</b>
Exchange of Common OP Units for Common Stock	1	812	—	—	—	(813)	—
Issuance of Common Stock through employee stock purchase plan	—	736	—	—	—	—	736
Compensation expenses related to restricted stock and stock options	—	1,799	—	—	—	—	1,799
Adjustment for Common OP Unitholders in the Operating Partnership	—	(27)	—	—	—	27	—
Adjustment for fair market value of swaps	—	—	—	—	(1,763)	—	(1,763)
Consolidated net income	—	—	—	76,969	—	3,772	80,741
Distributions	—	—	—	(83,410)	—	(4,087)	(87,497)
Other	—	(121)	—	—	—	—	(121)
<b>Balance as of September 30, 2023</b>	<b>\$ 1,917</b>	<b>\$ 1,641,553</b>	<b>\$ —</b>	<b>\$ (232,081)</b>	<b>\$ 15,564</b>	<b>\$ 70,054</b>	<b>\$ 1,497,007</b>

	Common Stock	Paid-in Capital	Redeemable Perpetual Preferred Stock	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling interests – Common OP Units	Total Equity
<b>Balance as of December 31, 2021</b>	<b>\$ 1,913</b>	<b>\$ 1,593,362</b>	<b>\$ —</b>	<b>\$ (183,689)</b>	<b>\$ 3,524</b>	<b>\$ 71,061</b>	<b>\$ 1,486,171</b>
Exchange of Common OP Units for Common Stock	—	67	—	—	—	(67)	—
Issuance of Common Stock through employee stock purchase plan	—	513	—	—	—	—	513
Issuance of Common Stock	3	28,367	—	—	—	—	28,370
Compensation expenses related to restricted stock and stock options	—	2,590	—	—	—	—	2,590
Repurchase of Common Stock or Common OP Units	—	(3,449)	—	—	—	—	(3,449)
Adjustment for Common OP Unitholders in the Operating Partnership	—	(1,641)	—	—	—	1,641	—
Adjustment for fair market value of swap	—	—	—	—	9,924	—	9,924
Consolidated net income	—	—	—	82,906	—	4,144	87,050
Distributions	—	—	—	(76,375)	—	(3,812)	(80,187)
Other	—	(645)	—	—	—	—	(645)
<b>Balance as of March 31, 2022</b>	<b>\$ 1,916</b>	<b>\$ 1,619,164</b>	<b>\$ —</b>	<b>\$ (177,158)</b>	<b>\$ 13,448</b>	<b>\$ 72,967</b>	<b>\$ 1,530,337</b>
Issuance of Common Stock through employee stock purchase plan	—	1,388	—	—	—	—	1,388
Compensation expenses related to restricted stock and stock options	—	2,681	—	—	—	—	2,681
Adjustment for Common OP Unitholders in the Operating Partnership	—	(303)	—	—	—	303	—
Adjustment for fair market value of swap	—	—	—	—	2,793	—	2,793
Consolidated net income	—	—	8	61,509	—	3,073	64,590
Distributions	—	—	(8)	(76,179)	—	(3,812)	(79,999)
Other	—	(54)	—	—	—	—	(54)
<b>Balance as of June 30, 2022</b>	<b>\$ 1,916</b>	<b>\$ 1,622,876</b>	<b>\$ —</b>	<b>\$ (191,828)</b>	<b>\$ 16,241</b>	<b>\$ 72,531</b>	<b>\$ 1,521,736</b>
Exchange of Common OP Units for Common Stock	—	203	—	—	—	(203)	—
Issuance of Common Stock through employee stock purchase plan	—	458	—	—	—	—	458
Compensation expenses related to restricted stock and stock options	—	2,654	—	—	—	—	2,654
Adjustment for Common OP Unitholders in the Operating Partnership	—	(342)	—	—	—	342	—
Adjustment for fair market value of swap	—	—	—	—	4,235	—	4,235
Consolidated net income	—	—	—	67,164	—	3,346	70,510
Distributions	—	—	—	(76,305)	—	(3,801)	(80,106)
Other	—	(98)	—	—	—	—	(98)
<b>Balance as of September 30, 2022</b>	<b>\$ 1,916</b>	<b>\$ 1,625,751</b>	<b>\$ —</b>	<b>\$ (200,969)</b>	<b>\$ 20,476</b>	<b>\$ 72,215</b>	<b>\$ 1,519,389</b>

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



**Equity LifeStyle Properties, Inc.**  
**Consolidated Statements of Cash Flows**  
(amounts in thousands)  
(unaudited)

	Nine Months Ended September 30,	
	2023	2022
		As Restated
<b>Cash Flows From Operating Activities:</b>		
Consolidated net income	\$ 233,249	\$ 222,149
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Loss on sale of real estate and impairment, net	3,581	3,747
Early debt retirement	68	1,156
Depreciation and amortization	156,967	156,074
Amortization of loan costs	3,637	3,631
Debt premium amortization	(62)	(145)
Equity in income of unconsolidated joint ventures	(2,158)	(2,889)
Distributions of income from unconsolidated joint ventures	1,155	340
Proceeds from insurance claims, net	21,770	(457)
Compensation expense related to incentive plans	15,275	5,367
Revenue recognized from membership upgrade sales upfront payments	(10,863)	(9,543)
Commission expense recognized related to membership sales	3,122	2,850
Changes in assets and liabilities:		
Manufactured homes, net	(31,980)	(6,972)
Notes receivable, net	(4,365)	(3,954)
Deferred commission expense	(5,861)	(5,531)
Other assets, net	(5,076)	(298)
Accounts payable and other liabilities	12,165	15,475
Deferred membership revenue	29,140	28,080
Rents and other customer payments received in advance and security deposits	(1,106)	(3,957)
Net cash provided by operating activities	<u>418,658</u>	<u>405,123</u>
<b>Cash Flows From Investing Activities:</b>		
Real estate acquisitions, net	(9,326)	(119,255)
Investment in unconsolidated joint ventures	(6,060)	(16,022)
Distributions of capital from unconsolidated joint ventures	3,730	3,602
Proceeds from insurance claims, net	5,309	1,405
Capital improvements	(231,172)	(185,916)
Net cash used in investing activities	<u>(237,519)</u>	<u>(316,186)</u>

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

**Equity LifeStyle Properties, Inc.**  
**Consolidated Statements of Cash Flows (continued)**  
(amounts in thousands)  
(unaudited)

	Nine Months Ended September 30,	
	2023	2022 As Restated
<b>Cash Flows From Financing Activities:</b>		
Proceeds from stock options and employee stock purchase plan	1,604	2,359
Gross proceeds from the issuance of common stock	—	28,370
Distributions:		
Common Stockholders	(242,994)	(219,854)
Common OP Unitholders	(12,069)	(10,997)
Preferred Stockholders	(8)	(8)
Share based award tax withholding payments	(1,932)	(3,449)
Principal payments and mortgage debt repayment	(148,811)	(119,608)
Mortgage notes payable financing proceeds	463,753	200,000
Term loan proceeds	—	200,000
Line of credit repayment	(605,000)	(495,016)
Line of credit proceeds	407,000	241,000
Debt issuance and defeasance costs	(5,033)	(3,826)
Other	(316)	(796)
Net cash used in financing activities	(143,806)	(181,825)
Net increase (decrease) in cash and restricted cash	37,333	(92,888)
Cash and restricted cash, beginning of period	22,347	123,398
<b>Cash and restricted cash, end of period</b>	<b>\$ 59,680</b>	<b>\$ 30,510</b>

	Nine Months Ended September 30,	
	2023	2022 As Restated
<b>Supplemental Information:</b>		
Cash paid for interest, net	\$ 97,297	\$ 82,368
Cash paid for the purchase of manufactured homes	\$ 90,477	\$ 82,698
Real estate acquisitions:		
Investment in real estate	\$ (10,057)	\$ (119,796)
Notes receivable, net	—	(772)
Other assets, net	13	—
Deferred membership revenue	—	315
Other liabilities	—	702
Rents and other customer payments received in advance and security deposits	718	296
Real estate acquisitions, net	\$ (9,326)	\$ (119,255)

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

**Note 1 – Organization and Basis of Presentation**

Equity LifeStyle Properties, Inc. (“ELS”), a Maryland corporation, together with MHC Operating Limited Partnership (the “Operating Partnership”) and its other consolidated subsidiaries (the “Subsidiaries”), are referred to herein as “we,” “us,” and “our”. We are a fully integrated owner of lifestyle-oriented properties (“Properties”) consisting of property operations and home sales and rental operations primarily within manufactured home (“MH”) and recreational vehicle (“RV”) communities and marinas. We provide our customers the opportunity to place manufactured homes and cottages, RVs and/or boats on our Properties either on a long-term or short-term basis. Our customers may lease individual developed areas (“Sites”) or enter into right-to-use contracts, also known as membership subscriptions, which provide them access to specific Properties for limited stays.

Our Properties are owned primarily by the Operating Partnership and managed internally by affiliates of the Operating Partnership. ELS is the sole general partner of the Operating Partnership, has exclusive responsibility and discretion in management and control of the Operating Partnership and held a 95.3% interest as of September 30, 2023. As the general partner with control, ELS is the primary beneficiary of, and therefore consolidates, the Operating Partnership.

Equity method of accounting is applied to entities in which ELS does not have a controlling interest or for variable interest entities in which ELS is not considered the primary beneficiary, but with respect to which it can exercise significant influence over operations and major decisions. Our exposure to losses associated with unconsolidated joint ventures is primarily limited to the carrying value of these investments. Accordingly, distributions from a joint venture in excess of our carrying value are recognized in earnings.

The accompanying unaudited interim consolidated financial statements have been prepared pursuant to Securities and Exchange Commission (“SEC”) rules and regulations for Quarterly Reports on Form 10-Q. Accordingly, they do not include all of the information and note disclosures required by U.S. Generally Accepted Accounting Principles (“GAAP”) for complete financial statements and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022, as amended on January 22, 2024.

Intercompany balances and transactions have been eliminated. All adjustments to the unaudited interim consolidated financial statements are of a normal, recurring nature and, in the opinion of management, are necessary for a fair presentation of results for these interim periods. Revenues and expenses are subject to seasonal fluctuations and accordingly, quarterly interim results may not be indicative of full year results. Certain prior period amounts have been reclassified on our unaudited interim consolidated financial statements to conform with current year presentation.

**Note 2 – Summary of Significant Accounting Policies**

*(a) Revenue Recognition*

Our revenue streams are predominantly derived from customers renting our Sites or entering into membership subscriptions. Leases with customers renting our Sites are accounted for as operating leases. The rental income associated with these leases is accounted for in accordance with the Accounting Standards Codification (“ASC”) 842, *Leases*, and is recognized over the term of the respective lease or the length of a customer’s stay. MH Sites are generally leased on an annual basis to residents who own or lease factory-built homes, including manufactured homes. RV and marina Sites are leased to those who generally have an RV, factory-built cottage, boat or other unit placed on the site, including those customers renting marina dry storage slips. Annual Sites are leased on an annual basis, including those Northern Properties that are open for the summer season. Seasonal Sites are leased to customers generally for one to six months. Transient Sites are leased to customers on a short-term basis. We do not separate expenses reimbursed by our customers (“utility recoveries”) from the associated rental income as we meet the practical expedient criteria of *ASC 842, Leases* to combine the lease and non-lease components. We assessed the criteria and concluded that the timing and pattern of transfer for rental income and the associated utility recoveries are the same and, as our leases qualify as operating leases, we account for and present rental income and utility recoveries as a single component under Rental income in our Consolidated Statements of Income and Comprehensive Income. In addition, customers may lease homes that are located in our communities. These leases are accounted for as operating leases. Rental income derived from customers leasing homes is also accounted for in accordance with *ASC 842, Leases* and is recognized over the term of the respective lease. The allowance for credit losses related to the collectability of lease receivables is presented as a reduction to Rental income. Lease receivables are presented within Other assets, net on the Consolidated Balance Sheets and are net of an allowance for credit losses. The estimate for credit losses is a result of our ongoing assessments and evaluations of collectability, including historical loss experience, current market conditions and future expectations in forecasting credit losses.

**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 2 – Summary of Significant Accounting Policies (continued)**

Annual membership subscriptions and membership upgrade sales are accounted for in accordance with *ASC 606, Revenue from Contracts with Customers*. Membership subscriptions provide our customers access to specific Properties for limited stays at a specified group of Properties. Payments are deferred and recognized on a straight-line basis over the one-year period during which access to Sites at certain Properties is provided. Membership subscription receivables are presented within Other assets, net on the Consolidated Balance Sheets and are net of an allowance for credit losses. Membership upgrades grant certain additional access rights to the customer and require non-refundable upfront payments. The non-refundable upfront payments are recognized on a straight-line basis over 20 years. Financed upgrade sales (also known as contract receivables) are presented within Notes receivable, net on the Consolidated Balance Sheets and are net of an allowance for credit losses.

Revenue from home sales is recognized when the earnings process is complete. The earnings process is complete when the home has been delivered, the purchaser has accepted the home and title has transferred. We have a limited program under which we purchase loans made by an unaffiliated lender to homebuyers at our Properties. Financed home sales (also known as chattel loans) are presented within Notes receivable, net on the Consolidated Balance Sheets and are net of an allowance for credit losses.

*(b) Restricted Cash*

As of September 30, 2023 and December 31, 2022, restricted cash consisted of \$21.2 million and \$19.7 million, respectively, primarily related to cash reserved for customer deposits and escrows for insurance and real estate taxes.

*(c) Reclassifications*

Certain prior period amounts have been reclassified to conform to the current year presentation.

*(d) Insurance Recoveries*

We carry comprehensive insurance coverage for losses resulting from property damage and environmental liability and business interruption claims on all of our properties. We record the estimated amount of expected insurance proceeds for property damage, clean-up costs and other losses incurred as an asset (typically a receivable from our insurance carriers) and income up to the amount of the losses incurred when receipt of insurance proceeds is deemed probable. Any amount of insurance recovery in excess of the losses incurred and any amount of insurance recovery related to business interruption are considered a gain contingency and will be recognized in the period in which the insurance proceeds are received. During the nine months ended September 30, 2023, we recognized expenses of approximately \$12.1 million related to debris removal and cleanup related to Hurricane Ian and an offsetting insurance recovery revenue accrual of \$12.1 million related to the expected insurance recovery as a result of Hurricane Ian which is included in Casualty-related charges/(recoveries), net in the Consolidated Statements of Income and Comprehensive Income. During the nine months ended September 30, 2023, we received insurance proceeds of approximately \$48.8 million, of which \$9.6 million represented business interruption recovery revenue.

*(e) Prior period correction*

We previously disclosed in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 the correction of an error related to the classification of cash outflows associated with the purchase of manufactured homes in the Consolidated Statements of Cash Flows. Based on an analysis of quantitative and qualitative factors in accordance with SEC Staff Accounting Bulletins 99, *Materiality* and 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, the Company previously concluded that this error was immaterial. Following receipt of a further comment letter from the SEC, the Company and the Audit Committee, on January 19, 2024, determined that the error was material to its previously issued financial statements, as included in the Annual Report on Form 10-K for the year ended December 31, 2022 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.

The Company previously classified cash outflows associated with the purchase of manufactured homes within investing activities in the Consolidated Statements of Cash Flows. Based on the predominance principle in *ASC 230-10-45-22*, the Company determined that all of the cash flows associated with the purchase and sale of manufactured homes should be classified within operating activities in the Consolidated Statements of Cash Flows. There was no impact to Cash and restricted cash, the Consolidated Statements of Income and Comprehensive Income, Consolidated Balance Sheets, or Consolidated Statements of Changes in Equity for any periods presented herein.

**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 2 – Summary of Significant Accounting Policies (continued)**

The impact of the restatements on the line items within the previously reported Consolidated Statements of Cash Flows for the nine months ended September 30, 2022 previously filed in the Original Report is as follows (in thousands):

	<b>Nine Months Ended September 30, 2022</b>		
	<b>As Reported</b>	<b>Adjustment</b>	<b>As Restated</b>
<b><i>Operating Activities</i></b>			
Manufactured homes, net	\$ —	(6,972)	\$ (6,972)
Other assets, net	\$ 75,428	(75,726)	\$ (298)
Net cash provided by operating activities	\$ 487,821	(82,698)	\$ 405,123
<b><i>Investing Activities</i></b>			
Capital improvements	\$ (268,614)	82,698	\$ (185,916)
Net cash used in investing activities	\$ (398,884)	82,698	\$ (316,186)
<b>Cash and restricted cash, end of period</b>	<b>\$ 30,510</b>	<b>—</b>	<b>\$ 30,510</b>

**Note 3 – Leases**

**Lessor**

The leases entered into between a customer and us for rental of a Site are renewable upon the consent of both parties or, in some instances, as provided by statute. Long-term leases that are non-cancelable by the tenants are in effect at certain Properties. Rental rate increases at these Properties are primarily a function of increases in the Consumer Price Index, taking into consideration certain conditions. Additionally, periodic market rate adjustments are made as deemed appropriate. In addition, certain state statutes allow entry into long-term agreements that effectively modify lease terms related to rent amounts and increases over the term of the agreements. The following table presents future minimum rents expected to be received under long-term non-cancelable tenant leases, as well as those leases that are subject to long-term agreements governing rent payments and increases:

<i>(amounts in thousands)</i>	<b>As of September 30, 2023</b>	
2023	\$	31,687
2024		129,794
2025		55,073
2026		24,570
2027		23,096
Thereafter		58,914
Total	\$	323,134

**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 3 – Leases (continued)**

**Lessee**

We lease land under non-cancelable operating leases at ten Properties expiring on various dates between 2028 and 2054. The majority of the leases have terms requiring fixed payments plus additional rents based on a percentage of gross revenues at those Properties. We also have other operating leases, primarily office space, expiring at various dates through 2032. For the quarters ended September 30, 2023 and 2022, total operating lease payments were \$1.6 million and \$2.7 million, respectively. For the nine months ended September 30, 2023 and 2022, total operating lease payments were \$4.9 million and \$8.2 million, respectively.

The following table summarizes our minimum future rental payments, excluding variable costs, which are discounted by our incremental borrowing rate to calculate the lease liability for our operating leases as of September 30, 2023:

	<b>As of September 30, 2023</b>		
<i>(amounts in thousands)</i>	<b>Ground Leases</b>	<b>Office and Other Leases</b>	<b>Total</b>
2023	\$ 152	\$ 1,698	\$ 1,850
2024	675	3,407	4,082
2025	680	3,108	3,788
2026	684	2,613	3,297
2027	689	2,424	3,113
Thereafter	4,525	10,794	15,319
Total undiscounted rental payments	7,405	24,044	31,449
Less imputed interest	(1,890)	(3,397)	(5,287)
Total lease liabilities	\$ 5,515	\$ 20,647	\$ 26,162

Right-of-use (“ROU”) assets and lease liabilities from our operating leases, included within Other assets, net and Accounts payable and other liabilities on the Consolidated Balance Sheets, were \$24.0 million and \$26.2 million, respectively, as of September 30, 2023. The weighted average remaining lease term for our operating leases was nine years and the weighted average incremental borrowing rate was 3.8% at September 30, 2023.

ROU assets and lease liabilities from our operating leases, included within Other assets, net and Accounts payable and other liabilities on the Consolidated Balance Sheets, were \$25.9 million and \$28.0 million, respectively, as of December 31, 2022. The weighted average remaining lease term for our operating leases was nine years and the weighted average incremental borrowing rate was 3.8% at December 31, 2022.

**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 4 – Earnings Per Common Share**

**Note 4 – Earnings per Common Share**

The following table sets forth the computation of basic and diluted earnings per share of common stock (“Common Share”) for the quarters and nine months ended September 30, 2023 and 2022:

	Quarters Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(amounts in thousands, except per share data)</i>				
<b>Numerators:</b>				
Net income available for Common Stockholders – Basic	\$ 76,969	\$ 67,163	\$ 222,260	\$ 211,578
Amounts allocated to non controlling interest (dilutive securities)	3,772	3,346	10,981	10,563
Net income available for Common Stockholders – Fully Diluted	<u>\$ 80,741</u>	<u>\$ 70,509</u>	<u>\$ 233,241</u>	<u>\$ 222,141</u>
<b>Denominators:</b>				
Weighted average Common Shares outstanding – Basic	186,100	185,814	186,008	185,758
Effect of dilutive securities:				
Exchange of Common OP Units for Common Shares	9,235	9,288	9,246	9,295
Stock options and restricted stock	105	167	160	195
Weighted average Common Shares outstanding – Fully Diluted	<u>195,440</u>	<u>195,269</u>	<u>195,414</u>	<u>195,248</u>
<b>Earnings per Common Share – Basic</b>	<u>\$ 0.41</u>	<u>\$ 0.36</u>	<u>\$ 1.19</u>	<u>\$ 1.14</u>
<b>Earnings per Common Share – Fully Diluted</b>	<u>\$ 0.41</u>	<u>\$ 0.36</u>	<u>\$ 1.19</u>	<u>\$ 1.14</u>

*Common Stockholder Distribution Activity*

The following quarterly distributions have been declared and paid to Common Stockholders and the Operating Partnership unit (“OP Unit”) holders since January 1, 2022:

Distribution Amount Per Share	For the Quarter Ended	Stockholder Record Date	Payment Date
\$0.4100	March 31, 2022	March 25, 2022	April 8, 2022
\$0.4100	June 30, 2022	June 24, 2022	July 8, 2022
\$0.4100	September 30, 2022	September 30, 2022	October 14, 2022
\$0.4100	December 31, 2022	December 30, 2022	January 13, 2023
\$0.4475	March 31, 2023	March 31, 2023	April 14, 2023
\$0.4475	June 30, 2023	June 30, 2023	July 14, 2023
\$0.4475	September 30, 2023	September 29, 2023	October 13, 2023

*Exchanges*

Subject to certain limitations, OP Unit holders can request an exchange of any or all of their OP Units for shares of Common Stock at any time. Upon receipt of such a request, we may, in lieu of issuing shares of Common Stock, cause the Operating Partnership to pay cash. During the nine months ended September 30, 2023 and 2022, 131,192 and 34,680 OP Units, respectively, were exchanged for an equal number of shares of Common Stock.

**Note 6 – Investment in Real Estate**

*Acquisitions*

On March 28, 2023, we completed the acquisition of Red Oak Shores Campground, a 223-site RV community located in Ocean View, New Jersey for a purchase price of \$9.5 million. The acquisition was accounted for as an asset acquisition under *ASC 805, Business Combinations* and was funded from our unsecured line of credit.

*Impairment*

During the nine months ended September 30, 2023, we recorded impairment charges of approximately \$3.6 million primarily related to flooding events at certain Properties in California.

**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 7 – Investments in Unconsolidated Joint Ventures**

The following table summarizes our investments in unconsolidated joint ventures (investment and income/(loss) amounts in thousands with the number of Properties shown parenthetically as of September 30, 2023 and December 31, 2022, respectively):

Investment	Location	Number of Sites	Economic Interest <sup>(a)</sup>	Investment as of		Income/(Loss) for the Nine Months Ended	
				September 30, 2023	December 31, 2022	September 30, 2023	September 30, 2022
Meadows	Various (2,2)	1,077	50 %	\$ 407	\$ 158	\$ 1,649	\$ 1,850
Lakeshore	Florida (3,3)	721	(b)	3,048	2,625	487	480
Voyager	Arizona (1,1)	—	— % <sup>(c)</sup>	—	139	694	39
ECHO JV	Various	—	50 %	2,764	2,963	(199)	843
RVC	Various	1,283	80 % <sup>(d)</sup>	61,805	60,323	(297)	(323)
Mulberry Farms	Arizona	200	50 %	10,560	9,902	96	—
Hiwassee KOA JV	Georgia	283	50 %	5,744	5,294	(272)	—
		3,564		\$ 84,328	\$ 81,404	\$ 2,158	\$ 2,889

(a) The percentages shown approximate our economic interest as of September 30, 2023. Our legal ownership interest may differ.

(b) Includes two joint ventures in which we own a 65% interest in each and the Crosswinds joint venture in which we own a 49% interest.

(c) In March of 2023, we sold our 33% interest in the utility plant servicing Voyager RV Resort.

(d) Includes three joint ventures of which one joint venture owns a portfolio of seven operating RV communities and two joint ventures each own an RV property under development.

We received approximately \$4.9 million and \$3.9 million in distributions from our unconsolidated joint ventures for the nine months ended September 30, 2023 and 2022, respectively. Approximately \$1.4 million and \$1.7 million of the distributions made to us exceeded our basis in our unconsolidated joint ventures for the nine months ended September 30, 2023 and 2022, respectively, and as such, were recorded as income from unconsolidated joint ventures.

**Note 8 – Borrowing Arrangements**

*Mortgage Notes Payable*

Our mortgage notes payable are classified as Level 2 in the fair value hierarchy. The following table presents the fair value of our mortgage notes payable:

	As of September 30, 2023		As of December 31, 2022	
	Fair Value	Carrying Value	Fair Value	Carrying Value
(amounts in thousands)				
Mortgage notes payable, excluding deferred financing costs	\$ 2,116,027	\$ 3,032,920	\$ 2,043,412	\$ 2,718,114

The weighted average interest rate on our outstanding mortgage indebtedness, including the impact of premium/discount amortization and loan cost amortization on mortgage indebtedness, as of September 30, 2023, was approximately 3.7% per annum. The debt bears interest at stated rates ranging from 2.4% to 5.1% per annum and matures on various dates ranging from 2025 to 2041. The debt encumbered a total of 120 and 114 of our Properties as of September 30, 2023 and December 31, 2022, respectively, and the gross carrying value of such Properties was approximately \$3,167.2 million and \$2,868.3 million, as of September 30, 2023 and December 31, 2022, respectively.

During the quarter ended June 30, 2023, we closed on a secured financing transaction generating gross proceeds of \$89.0 million. The loan represents an incremental borrowing from an existing secured facility, has a fixed interest rate of 5.04% per annum and matures in ten years.

During the quarter ended September 30, 2023, we closed on three secured financing transactions generating gross proceeds of \$375.0 million. The loans are secured by 20 MH and RV properties, have a weighted average fixed interest rate of 5.05% per annum and a weighted average maturity of approximately eight years.



**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 8 – Borrowing Arrangements (continued)**

During the quarter ended September 30, 2023, proceeds from the four secured financing transactions were used to repay \$100.4 million of principal on three mortgage loans that were due to mature in 2023 and 2024 and the remaining outstanding balance on our unsecured line of credit (the “LOC”). The repaid mortgage loans had a weighted average fixed interest rate of 4.94% per annum and were secured by 14 MH and RV properties.

*Unsecured Debt*

We previously entered into a Third Amended and Restated Credit Agreement (“Credit Agreement”), pursuant to which we have access to a \$500.0 million LOC and a \$300.0 million senior unsecured term loan (the “\$300 million Term Loan”). On March 1, 2023, we amended the Credit Agreement to transition the LIBOR rate borrowings to Secured Overnight Financing Rate (“SOFR”) borrowings. The LOC bears interest at a rate of SOFR plus 1.25% to 1.65% and requires an annual facility fee of 0.20% to 0.35%. The \$300 million Term Loan has an interest rate of SOFR plus 1.40% to 1.95% per annum. For both the LOC and the \$300 million Term Loan, the spread over SOFR is variable based on leverage throughout the respective loan terms. As of September 30, 2023, the Company has no remaining LIBOR based borrowings.

The LOC had no outstanding balance and \$198.0 million outstanding as of September 30, 2023 and December 31, 2022, respectively. As of September 30, 2023, our LOC had a remaining borrowing capacity of \$500.0 million.

As of September 30, 2023, we were in compliance in all material respects with the covenants in all our borrowing arrangements.

During the year ended December 31, 2022, we entered into a \$200.0 million senior unsecured term loan agreement (the “\$200 million Term Loan”). The maturity date is January 21, 2027, with an interest rate of SOFR plus approximately 1.30% to 1.80%, depending on leverage levels.

**Note 9 – Derivative Instruments and Hedging**

*Cash Flow Hedges of Interest Rate Risk*

We record all derivatives at fair value. Our objective in utilizing interest rate derivatives is to add stability to our interest expense and to manage our exposure to interest rate movements. We do not enter into derivatives for speculative purposes.

In March 2021, we entered into a Swap Agreement (the “2021 Swap”) with a notional amount of \$300.0 million allowing us to trade the variable interest rate associated with our \$300.0 million Term Loan for a fixed interest rate. In March 2023, we amended the 2021 Swap agreement to reflect the change in the \$300.0 million Term Loan interest rate benchmark from LIBOR to SOFR (see *Note 8. Borrowing Arrangements*). The 2021 Swap has a fixed interest rate of 0.41% per annum and matures on March 25, 2024. Based on the leverage as of September 30, 2023, our spread over SOFR was 1.40% resulting in an estimated all-in interest rate of 1.81% per annum.

In April 2023, we entered into a Swap Agreement (the “2023 Swap”) with a notional amount of \$200.0 million allowing us to trade the variable interest rate associated with our \$200.0 million Term Loan for a fixed interest rate. The 2023 Swap has a fixed interest rate of 3.68% per annum and matures on January 21, 2027. Based on the leverage as of September 30, 2023, our spread over SOFR was 1.20% resulting in an estimated all-in interest rate of 4.88% per annum.

Our derivative financial instrument was classified as Level 2 in the fair value hierarchy. The following table presents the fair value of our derivative financial instrument:

<i>(amounts in thousands)</i>	<b>Balance Sheet Location</b>	<u>As of September 30,</u>	<u>As of December 31,</u>
		<b>2023</b>	<b>2022</b>
Interest Rate Swaps	Other assets, net	\$ 15,564	\$ 19,119

**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 9 – Derivative Instruments and Hedging (continued)**

The following table presents the effect of our derivative financial instruments on the Consolidated Statements of Income and Comprehensive Income:

<b>Derivatives in Cash Flow Hedging Relationship</b>	<b>Amount of (gain)/loss recognized in OCI on derivative for the nine months ended September 30,</b>		<b>Location of (gain)/ loss reclassified from accumulated OCI into income</b>	<b>Amount of (gain)/loss reclassified from accumulated OCI into income for the nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>
<i>(amounts in thousands)</i>			<i>(amounts in thousands)</i>		
Interest Rate Swaps	\$ (9,364)	\$ (18,479)	Interest Expense	\$ (12,919)	\$ (1,527)

During the next twelve months, we estimate that \$10.7 million will be reclassified from accumulated other comprehensive income (loss) as a decrease to interest expense. This estimate may be subject to change as the underlying SOFR changes. We determined that no adjustment was necessary for non-performance risk on our derivative obligation. As of September 30, 2023, we had not posted any collateral related to the 2021 Swap or 2023 Swap.

**Note 10 - Deferred Revenue from Membership Upgrade Sales and Deferred Commission Expense**

The components of the change in deferred revenue from membership upgrades and deferred commission expense were as follows:

<i>(amounts in thousands)</i>	<b>Nine Months Ended September 30, 2023</b>	<b>Nine Months Ended September 30, 2022</b>
Deferred revenue - upfront payments from membership upgrade sales, beginning	\$ 185,660	\$ 163,957
Membership upgrade sales <sup>(1)</sup>	28,041	27,771
Revenue recognized from membership upgrade sales upfront payments	(10,863)	(9,543)
Net increase in deferred revenue - upfront payments from membership grade sales <sup>(1)</sup>	17,178	18,228
Deferred revenue - upfront payments from membership upgrade sales, ending <sup>(2)</sup>	\$ 202,838	\$ 182,185
Deferred commission expense, beginning	\$ 50,441	\$ 47,349
Deferred commission expense	5,861	5,531
Commission expense recognized	(3,122)	(2,850)
Net increase in deferred commission expense <sup>(1)</sup>	2,739	2,681
Deferred commission expense, ending	\$ 53,180	\$ 50,030

<sup>(1)</sup> We present membership upgrade sales and related commissions on a net basis in the Consolidated Statements of Income and Comprehensive Income.

<sup>(2)</sup> Included in Deferred membership revenue on the Consolidated Balance Sheets.

**Note 11 – Equity Incentive Awards**

Our 2014 Equity Incentive Plan (the “2014 Plan”) was adopted by the Board of Directors on March 11, 2014 and approved by our stockholders on May 13, 2014.

During the quarter ended March 31, 2023, 82,884 shares of restricted stock were awarded to certain members of our management team. Of these shares, 50% are time-based awards, vesting in equal installments over a three-year period on January 30, 2024, February 4, 2025 and February 3, 2026, respectively, and have a grant date fair value of \$3.0 million. The remaining 50% are performance-based awards vesting in equal installments on January 30, 2024, February 4, 2025 and February 3, 2026, respectively, upon meeting performance conditions as established by the Compensation Committee in the year of the vesting period. They are valued using the closing price at the grant date when all the key terms and conditions are known to all parties. The 13,812 shares of restricted stock subject to 2023 performance goals have a grant date fair value of \$1.0 million.

During the quarter ended June 30, 2023, we awarded to certain members of our Board of Directors 60,391 shares of restricted stock at a fair value of approximately \$4.1 million and options to purchase 8,450 shares of common stock with an exercise price of \$68.01. These are time-based awards subject to various vesting dates between October 25, 2023 and April 24, 2026.

Stock-based compensation expense, reported in General and administrative expense on the Consolidated Statements of Income and Comprehensive Income, was \$1.8 million and \$2.6 million for the quarters ended September 30, 2023 and 2022, respectively, and \$12.9 million and \$7.9 million for the nine months ended September 30, 2023 and 2022, respectively. Stock-based compensation expense of \$12.9 million for the nine months ended September 30, 2023 includes accelerated vesting of stock-based compensation expense of \$6.3 million recognized during the quarter ended June 30, 2023, as a result of the passing of a member of our Board of Directors.

**Note 12 – Commitments and Contingencies**

We are involved in various legal and regulatory proceedings (“Proceedings”) arising in the ordinary course of business. The Proceedings include, but are not limited to, legal claims made by employees, vendors and customers, and notices, consent decrees, information requests, additional permit requirements and other similar enforcement actions by governmental agencies relating to our utility infrastructure, including water and wastewater treatment plants and other waste treatment facilities and electrical systems. Additionally, in the ordinary course of business, our operations are subject to audit by various taxing authorities. Management believes these Proceedings taken together do not represent a material liability. In addition, to the extent any such Proceedings or audits relate to newly acquired Properties, we consider any potential indemnification obligations of sellers in our favor.

Beginning on August 31, 2023 through October 12, 2023, certain private party plaintiffs filed several putative class actions against Datacomp Appraisal Systems, Inc. (“Datacomp”) and several owner/operators of manufactured housing communities, including ELS (the “Datacomp Litigation”), alleging that the community owner/operators used JLT Market Reports produced by Datacomp to conspire to raise manufactured home lot rents in violation of Section 1 of the Sherman Act. ELS purchased Datacomp in connection with the MHVillage/Datacomp acquisition during the year ended December 31, 2021.

We believe that the Datacomp Litigation is without merit, and we intend to vigorously defend our interests in this matter. As of September 30, 2023, we have not made an accrual, as we are unable to predict the outcome of this matter or reasonably estimate any possible loss.

**Note 13 – Reportable Segments**

We have identified two reportable segments: (i) Property Operations and (ii) Home Sales and Rentals Operations. The Property Operations segment owns and operates land lease Properties and the Home Sales and Rentals Operations segment purchases, sells and leases homes at the Properties. The distribution of the Properties throughout the United States reflects our belief that geographic diversification helps insulate the portfolio from regional economic influences.

All revenues were from external customers and there is no customer who contributed 10% or more of our total revenues during the quarters and nine months ended September 30, 2023 or 2022.

**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 13 – Reportable Segments (continued)**

The following tables summarize our segment financial information for the quarters and nine months ended September 30, 2023 and 2022:

**Quarter Ended September 30, 2023**

<i>(amounts in thousands)</i>	<b>Property Operations</b>	<b>Home Sales and Rentals Operations</b>	<b>Consolidated</b>
Operations revenues	\$ 351,243	\$ 32,961	\$ 384,204
Operations expenses	(183,579)	(28,502)	(212,081)
Income from segment operations	167,664	4,459	172,123
Interest income	1,637	631	2,268
Depreciation and amortization	(48,242)	(2,726)	(50,968)
Loss on sale of real estate and impairment, net	(949)	—	(949)
Income from operations	<u>\$ 120,110</u>	<u>\$ 2,364</u>	<u>\$ 122,474</u>
Reconciliation to consolidated net income:			
Corporate interest income			8
Income from other investments, net			2,333
General and administrative			(9,895)
Other expenses			(1,338)
Interest and related amortization			(33,434)
Equity in income of unconsolidated joint ventures			661
Early debt retirement			(68)
Consolidated net income			<u>\$ 80,741</u>
Total assets	<u>\$ 5,351,993</u>	<u>\$ 274,298</u>	<u>\$ 5,626,291</u>
Capital improvements <sup>(1)</sup>	<u>\$ 79,750</u>	<u>\$ 2,420</u>	<u>\$ 82,170</u>

<sup>(1)</sup> Amounts are restated. See Part I. Item 1. Financial Statements - Note 2. Summary of Significant Accounting Policies: (e) Prior Period Correction for more information.

**Quarter Ended September 30, 2022**

<i>(amounts in thousands)</i>	<b>Property Operations</b>	<b>Home Sales and Rentals Operations</b>	<b>Consolidated</b>
Operations revenues	\$ 338,208	\$ 38,497	\$ 376,705
Operations expenses	(179,775)	(33,384)	(213,159)
Income from segment operations	158,433	5,113	163,546
Interest income	1,441	422	1,863
Depreciation and amortization	(50,026)	(2,521)	(52,547)
Loss on sale of real estate and impairment, net	(2,289)	(1,458)	(3,747)
Income from operations	<u>\$ 107,559</u>	<u>\$ 1,556</u>	<u>\$ 109,115</u>
Reconciliation to consolidated net income:			
Corporate interest income			2
Income from other investments, net			2,399
General and administrative <sup>(1)</sup>			(11,086)
Other expenses <sup>(1)</sup>			(1,627)
Interest and related amortization			(29,759)
Equity in income of unconsolidated joint ventures			1,465
Consolidated net income			<u>\$ 70,509</u>
Total assets	<u>\$ 5,160,230</u>	<u>\$ 245,216</u>	<u>\$ 5,405,446</u>
Capital improvements <sup>(2)</sup>	<u>\$ 49,553</u>	<u>\$ 6,026</u>	<u>\$ 55,579</u>

<sup>(1)</sup> Prior period amounts have been reclassified to conform to the current period presentation.

<sup>(2)</sup> Amounts are restated. See Part I. Item 1. Financial Statements - Note 2. Summary of Significant Accounting Policies: (e) Prior Period Correction for more information.

**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 13 – Reportable Segments (continued)**

**Nine Months Ended September 30, 2023**

<i>(amounts in thousands)</i>	<b>Property Operations</b>	<b>Home Sales and Rentals Operations</b>	<b>Consolidated</b>
Operations revenues	\$ 1,029,609	\$ 85,650	\$ 1,115,259
Operations expenses	(526,052)	(73,559)	(599,611)
Income from segment operations	503,557	12,091	515,648
Interest income	4,819	1,782	6,601
Depreciation and amortization	(144,659)	(8,275)	(152,934)
Loss on sale of real estate and impairment, net	(3,581)	—	(3,581)
Income from operations	<u>\$ 360,136</u>	<u>\$ 5,598</u>	<u>\$ 365,734</u>
Reconciliation to consolidated net income:			
Corporate interest income			22
Income from other investments, net			6,897
General and administrative			(38,163)
Other expenses			(4,187)
Interest and related amortization			(99,144)
Equity in income of unconsolidated joint ventures			2,158
Early debt retirement			(68)
Consolidated net income			<u>\$ 233,249</u>
Total assets	<u>\$ 5,351,993</u>	<u>\$ 274,298</u>	<u>\$ 5,626,291</u>
Capital improvements <sup>(1)</sup>	<u>\$ 208,576</u>	<u>\$ 22,596</u>	<u>\$ 231,172</u>

<sup>(1)</sup> Amounts are restated. See Part I. Item 1. Financial Statements - Note 2. Summary of Significant Accounting Policies: (e) Prior Period Correction for more information.

**Nine Months Ended September 30, 2022**

<i>(amounts in thousands)</i>	<b>Property Operations</b>	<b>Home Sales and Rentals Operations</b>	<b>Consolidated</b>
Operations revenues	\$ 984,535	\$ 109,675	\$ 1,094,210
Operations expenses	(506,739)	(95,847)	(602,586)
Income from segment operations	477,796	13,828	491,624
Interest income	4,198	1,143	5,341
Depreciation and amortization	(145,200)	(7,537)	(152,737)
Loss on sale of real estate and impairment, net	(2,289)	(1,458)	(3,747)
Income from operations	<u>\$ 334,505</u>	<u>\$ 5,976</u>	<u>\$ 340,481</u>
Reconciliation to consolidated net income:			
Corporate interest income			5
Income from other investments, net			6,920
General and administrative <sup>(1)</sup>			(34,834)
Other expenses <sup>(1)</sup>			(6,880)
Interest and related amortization			(85,276)
Equity in income of unconsolidated joint ventures			2,889
Early debt retirement			(1,156)
Consolidated net income			<u>\$ 222,149</u>
Total assets	<u>\$ 5,160,230</u>	<u>\$ 245,216</u>	<u>\$ 5,405,446</u>
Capital improvements <sup>(2)</sup>	<u>\$ 169,233</u>	<u>\$ 16,683</u>	<u>\$ 185,916</u>

<sup>(1)</sup> Prior period amounts have been reclassified to conform to the current period presentation.

<sup>(2)</sup> Amounts are restated. See Part I. Item 1. Financial Statements - Note 2. Summary of Significant Accounting Policies: (e) Prior Period Correction for more information.

**Equity LifeStyle Properties, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 13 – Reportable Segments (continued)**

The following table summarizes our financial information for the Property Operations segment for the quarters and nine months ended September 30, 2023 and 2022:

<i>(amounts in thousands)</i>	Quarters Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
Rental income	\$ 299,781	\$ 285,272	\$ 877,310	\$ 837,892
Annual membership subscriptions	16,673	16,254	48,832	47,003
Membership upgrade sales <sup>(1)</sup>	3,744	3,308	10,863	9,543
Other income	15,658	15,580	51,283	43,316
Gross revenues from ancillary services	15,387	17,794	41,321	46,781
Total property operations revenues	351,243	338,208	1,029,609	984,535
<b>Expenses:</b>				
Property operating and maintenance	125,081	121,692	357,660	337,363
Real estate taxes	19,017	17,734	56,165	56,373
Membership sales and marketing <sup>(1)</sup>	5,696	5,937	16,055	15,720
Cost of ancillary services	8,226	9,765	20,562	24,639
Ancillary operating expenses	5,672	5,644	16,900	16,671
Property management	19,887	19,003	58,710	55,973
Total property operations expenses	183,579	179,775	526,052	506,739
<b>Income from property operations segment</b>	\$ 167,664	\$ 158,433	\$ 503,557	\$ 477,796

<sup>(1)</sup> We present membership upgrade sales and related commissions on a net basis in the Consolidated Statements of Income and Comprehensive Income.

The following table summarizes our financial information for the Home Sales and Rentals Operations segment for the quarters and nine months ended September 30, 2023 and 2022:

<i>(amounts in thousands)</i>	Quarters Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
Rental income <sup>(1)</sup>	\$ 3,553	\$ 3,744	\$ 11,130	\$ 11,519
Gross revenue from home sales and brokered resales	29,408	34,753	74,520	98,156
Total revenues	32,961	38,497	85,650	109,675
<b>Expenses:</b>				
Rental home operating and maintenance	1,765	1,489	3,883	4,117
Cost of home sales and brokered resales	25,245	30,459	65,318	87,255
Home selling expenses	1,492	1,436	4,358	4,475
Total expenses	28,502	33,384	73,559	95,847
<b>Income from home sales and rentals operations segment</b>	\$ 4,459	\$ 5,113	\$ 12,091	\$ 13,828

<sup>(1)</sup> Rental income within Home Sales and Rentals Operations does not include base rent related to the rental home Sites. Base rent is included within property operations.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis should be read in conjunction with the consolidated financial statements and accompanying notes thereto included in this Quarterly Report on Form 10-Q/A and in our Annual Report on Form 10-K for the year ended December 31, 2022, as amended on January 22, 2024 (“2022 Form 10-K/A”), as well as information in *Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations* in our 2022 Form 10-K/A.

Certain items within this Management’s discussion and analysis have been updated as a result of the amendment, as described in further detail in the “Explanatory Note”.

### **Overview and Outlook**

We are a self-administered and self-managed real estate investment trust (“REIT”) with headquarters in Chicago, Illinois. We are a fully integrated owner of lifestyle-oriented properties (“Properties”) consisting of property operations and home sales and rental operations primarily within manufactured home (“MH”) and recreational vehicle (“RV”) communities and marinas. As of September 30, 2023, we owned or had an ownership interest in a portfolio of 450 Properties located throughout the United States and Canada containing 171,707 individual developed areas (“Sites”). These Properties are located in 35 states and British Columbia, with more than 110 Properties with lake, river or ocean frontage and more than 120 Properties within ten miles of the coastal United States.

We invest in properties in sought-after locations near retirement and vacation destinations and urban areas across the United States with a focus on delivering an exceptional experience to our residents and guests that results in delivery of value to stockholders. Our business model is intended to provide an opportunity for increased cash flows and appreciation in value. We seek growth in earnings, Funds from Operations (“FFO”), Normalized Funds from Operations (“Normalized FFO”) and cash flows by enhancing the profitability and operation of our Properties and investments. We accomplish this by attracting and retaining high quality customers to our Properties, who take pride in our Properties and in their homes and efficiently managing our Properties by increasing occupancy, maintaining competitive market rents and controlling expenses. We also actively pursue opportunities that fit our acquisition criteria and are currently engaged in various stages of negotiations relating to the possible acquisition of additional properties.

We believe the demand from baby boomers for MH and RV communities will continue to be strong over the long term. It is estimated that approximately 10,000 baby boomers are turning 65 daily through 2030. In addition, the population age 55 and older is expected to grow 17% within the next 15 years. These individuals, seeking an active lifestyle, will continue to drive the market for second-home sales as vacation properties, investment opportunities or retirement retreats. We expect it is likely that over the next decade, we will continue to see high levels of second-home sales and that manufactured homes and cottages in our Properties will continue to provide a viable second-home alternative to site-built homes. We also believe the Millennial and Generation Z demographic will contribute to our future long-term customer pipeline. After conducting a comprehensive study of RV ownership, according to the Recreational Vehicle Industry Association (“RVIA”), data suggested that RV sales are expected to benefit from an increase in demand from those born in the United States from 1980 to 2003, or Millennials and Generation Z, over the coming years. We believe the demand from baby boomers and these younger generations will continue to outpace supply for MH and RV communities. The entitlement process to develop new MH and RV communities is extremely restrictive. As a result, there have been limited new communities developed in our target geographic markets.

We generate the majority of our revenues from customers renting our Sites or entering into right-to-use contracts, also known as membership subscriptions, which provide them access to specific Properties for limited stays. MH Sites are generally leased on an annual basis to residents who own or lease factory-built homes, including manufactured homes. Annual RV and marina Sites are leased on an annual basis to customers who generally have an RV, factory-built cottage, boat or other unit placed on the site, including those Northern properties that are open for the summer season. Seasonal RV and marina Sites are leased to customers generally for one to six months. Transient RV and marina Sites are leased to customers on a short-term basis. The revenue from seasonal and transient Sites is generally higher during the first and third quarters. We consider the transient revenue stream to be our most volatile as it is subject to weather conditions and other factors affecting the marginal RV customer’s vacation and travel preferences. We also generate revenue from customers renting our marina dry storage. Additionally, we have interests in joint venture Properties for which revenue is classified as Equity in income from unconsolidated joint ventures on the Consolidated Statements of Income and Comprehensive Income.

The following table shows the breakdown of our Sites by type (amounts are approximate):

	<b>Total Sites as of September 30, 2023</b>
MH Sites	72,700
RV Sites:	
Annual	35,300
Seasonal	12,500
Transient	14,900
Marina Slips	6,900
Membership <sup>(1)</sup>	25,800
Joint Ventures <sup>(2)</sup>	3,600
<b>Total</b>	<b>171,700</b>

<sup>(1)</sup> Primarily utilized to service approximately 125,300 members. Includes approximately 6,200 Sites rented on an annual basis.

<sup>(2)</sup> Includes approximately 2,000 annual Sites and 1,600 transient Sites.

In our Home Sales and Rentals Operations business, our revenue streams include home sales, home rentals and brokerage services and ancillary activities. We generate revenue through home sales and rental operations by selling or leasing manufactured homes and cottages that are located in Properties owned and managed by us. We believe renting our vacant homes represents an attractive source of occupancy and an opportunity to convert the renter to a homebuyer in the future. Additionally, home sale brokerage services are offered to our residents who may choose to sell their homes rather than relocate them when moving from a Property. At certain Properties, we operate ancillary facilities, such as golf courses, pro shops, stores and restaurants.

In the manufactured housing industry, options for home financing, also known as chattel financing, are limited. Chattel financing options available today include community owner-funded programs or third-party lender programs that provide subsidized financing to customers and often require the community owner to guarantee customer defaults. Third-party lender programs have stringent underwriting criteria, sizable down payment requirements, short term loan amortization and high interest rates. We have a limited program under which we purchase loans made by an unaffiliated lender to homebuyers at our Properties.

In addition to net income computed in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), we assess and measure our overall financial and operating performance using certain Non-GAAP supplemental measures, which include: (i) FFO, (ii) Normalized FFO, (iii) Income from property operations, (iv) Income from property operations, excluding property management, and (v) Core Portfolio income from property operations, excluding property management (operating results for Properties owned and operated in both periods under comparison). We use these measures internally to evaluate the operating performance of our portfolio and provide a basis for comparison with other real estate companies. Definitions and reconciliations of these measures to the most comparable GAAP measures are included below in this discussion.

### **Results Overview**

For the quarter ended September 30, 2023, net income available for Common Stockholders increased \$9.8 million to \$77.0 million, or \$0.41 per fully diluted Common Share, compared to \$67.2 million, or \$0.36 per fully diluted Common Share, for the same period in 2022. For the nine months ended September 30, 2023, net income available for Common Stockholders increased \$10.7 million, to \$222.3 million, or \$1.19, per fully diluted Common Share, compared to \$211.6 million, or \$1.14 per fully diluted Common Share, for the same period in 2022. Net income available for Common Stockholders for the nine months ended September 30, 2023 includes accelerated vesting of stock-based compensation expense of \$6.3 million recognized during the quarter ended June 30, 2023 and an impairment charge of approximately \$3.6 million recognized during the nine months ended September 30, 2023 primarily related to flooding events at certain Properties in California.

For the quarter ended September 30, 2023, FFO available for Common Stock and Operating Partnership unit ("OP Unit") holders increased \$6.0 million, or \$0.03 per fully diluted Common Share, to \$133.8 million, or \$0.68 per fully diluted Common Share, compared to \$127.8 million, or \$0.65 per fully diluted Common Share, for the same period in 2022. For the nine months ended September 30, 2023, FFO available for Common Stock and OP Unit holders increased \$10.2 million, or \$0.05 per fully diluted Common Share, to \$407.1 million, or \$2.08 per fully diluted Common Share, compared to \$396.9 million, or \$2.03 per fully diluted Common Share for the same period in 2022.



## Management's Discussion and Analysis (continued)

For the quarter ended September 30, 2023, Normalized FFO available for Common Stock and OP Unit holders increased \$3.7 million, or \$0.01 per fully diluted Common Share, to \$133.9 million, or \$0.68 per fully diluted Common Share, compared to \$130.2 million, or \$0.67 per fully diluted Common Share, for the same period in 2022. For the nine months ended September 30, 2023, Normalized FFO available for Common Stock and OP Unit holders increased \$10.2 million, or \$0.05 per fully diluted Common Share, to \$413.7 million, or \$2.12 per fully diluted Common Share, compared to \$403.5 million, or \$2.07 per fully diluted Common Share, for the same period in 2022.

For the quarter ended September 30, 2023, our Core Portfolio property operating revenues increased 5.0% and property operating expenses, excluding property management, increased 5.1%, from the same period in 2022, resulting in an increase in income from property operations, property management, of 5.0%, compared to the same period in 2022. For the nine months ended September 30, 2023, our Core Portfolio property operating revenues, increased 5.6% and property operating expenses, excluding property management, increased 6.5% from the same period in 2022, resulting in an increase in income from property operations, excluding property management, of 4.9% compared to the same period in 2022.

We continue to focus on the quality of occupancy growth by increasing the number of manufactured homeowners in our Core Portfolio. Our Core Portfolio average occupancy includes both homeowners and renters in our MH communities and was 94.9%, 95.1% and 95.2% for the quarters ended September 30, 2023, December 31, 2022 and September 30, 2022, respectively. For the quarter ended September 30, 2023, our Core Portfolio occupancy increased by 42 sites, which included an increase in homeowner occupancy of 225 sites and a decrease in rental occupancy of 183 compared to June 30, 2023. We continue to expect there to be fluctuations in the sources of occupancy depending on local market conditions, availability of vacant sites and success with converting renters to homeowners. As of September 30, 2023, we had 2,345 occupied rental homes in our Core MH communities.

RV and marina base rental income in our Core Portfolio increased 2.0% for the quarter ended September 30, 2023, compared to the same period in 2022 driven by an increase in Annual RV rental income, partially offset by a decline in Seasonal and Transient RV rental income. Core RV and marina base rental income from annuals represents 66.1% of total Core RV and marina base rental income and increased 8.0% for the quarter ended September 30, 2023, compared to the same period in 2022 due to a 7.8% increase in rate and 0.2% increase in occupancy. Core seasonal RV and marina base rental income decreased 8.5% for the quarter ended September 30, 2023, compared to the same period in 2022. Core transient RV and marina base rental income decreased by \$2.3 million, or 7.6% for the quarter ended September 30, 2023, compared to the same period in 2022. Since September 30, 2022, we have increased our Core RV and marina annual site count by approximately 40% resulting in a reduction in the number of transient sites available for use. We also experienced local storm events across the portfolio during the quarter ended September 30, 2023, particularly in the North, Northeast and California, which impacted our transient RV and marina base rental income.

Demand for our homes and communities remains strong as evidenced by factors including our high occupancy levels. We closed 285 new home sales during the quarter ended September 30, 2023, compared to 331 new home sales during the quarter ended September 30, 2022, a decrease of 13.9%. The decrease in new home sales during the quarter ended September 30, 2023 were primarily in the Florida and Arizona markets.

Our gross investment in real estate increased \$255.9 million to \$7,625.5 million as of September 30, 2023 from \$7,369.6 million as of December 31, 2022, primarily due to capital improvements and an acquisition during the nine months ended September 30, 2023.

## Management's Discussion and Analysis (continued)

The following chart lists the Properties acquired or sold from January 1, 2022 through September 30, 2023 and Sites added through expansion opportunities at our existing Properties:

	Location	Type of Property	Transaction Date	Sites
<b>Total Sites as of January 1, 2022 <sup>(1)</sup></b>				<b>169,300</b>
<b>Acquisition Properties:</b>				
Blue Mesa Recreational Ranch	Gunnison, Colorado	Membership	February 18, 2022	385
Pilot Knob RV Resort	Winterhaven, California	RV	February 18, 2022	247
Holiday Trav-L-Park Resort	Emerald Isle, North Carolina	RV	June 15, 2022	299
Oceanside RV Resort	Oceanside, California	RV	June 16, 2022	139
Hiawasee KOA JV	Hiawasee, Georgia	Unconsolidated JV	November 10, 2022	283
Whippoorwill Campground	Marmora, New Jersey	RV	December 20, 2022	288
Red Oak Shores Campground	Ocean View, New Jersey	RV	March 28, 2023	223
<b>Expansion Site Development:</b>				
Sites added (reconfigured) in 2022				1,034
Sites added (reconfigured) in 2023				236
<b>Ground Lease Termination:</b>				
Westwinds	San Jose, California	MH	August 31, 2022	(723)
<b>Total Sites as of September 30, 2023 <sup>(1)</sup></b>				<b>171,700</b>

<sup>(1)</sup> Sites are approximate.

## Non-GAAP Financial Measures

Management's discussion and analysis of financial condition and results of operations include certain Non-GAAP financial measures that in management's view of the business are meaningful as they allow investors the ability to understand key operating details of our business both with and without regard to certain accounting conventions or items that may not always be indicative of recurring annual cash flows of the portfolio. These Non-GAAP financial measures as determined and presented by us may not be comparable to similarly titled measures reported by other companies, and include income from property operations and Core Portfolio, FFO and Normalized FFO.

We believe investors should review Income from property operations and Core Portfolio, FFO and Normalized FFO, along with GAAP net income and cash flow from operating activities, investing activities and financing activities, when evaluating an equity REIT's operating performance. A discussion of Income from property operations and Core Portfolio, FFO and Normalized FFO, and a reconciliation to net income, are included below.

### *Income from Property Operations and Core Portfolio*

We use income from property operations, income from property operations, excluding property management, and Core Portfolio income from property operations, excluding property management, as alternative measures to evaluate the operating results of our Properties. Income from property operations represents rental income, membership subscriptions and upgrade sales, utility and other income less property and rental home operating and maintenance expenses, real estate taxes, membership sales and marketing expenses and property management expenses. Income from property operations, excluding property management, represents income from property operations excluding property management expenses. Property management represents the expenses associated with indirect costs such as off-site payroll and certain administrative and professional expenses. We believe exclusion of property management expenses is helpful to investors and analysts as a measure of the operating results of our properties, excluding items that are not directly related to the operation of the properties. For comparative purposes, we present bad debt expense within Property operating and maintenance in the current and prior periods. We believe that this Non-GAAP financial measure is helpful to investors and analysts as a measure of the operating results of our properties.

## Management's Discussion and Analysis (continued)

Our Core Portfolio consists of our Properties owned and operated during all of 2022 and 2023. Core Portfolio income from property operations, excluding property management, is useful to investors for annual comparison as it removes the fluctuations associated with acquisitions, dispositions and significant transactions or unique situations. Our Non-Core Portfolio includes all Properties that were not owned and operated during all of 2022 and 2023. This includes, but is not limited to, four RV communities and one membership RV community acquired during 2022 and one RV community acquired during 2023. The Non-Core Properties also include Fish Tale Marina, Fort Myers Beach, Gulf Air, Palm Harbour Marina, Pine Island, Ramblers Rest, Rancho Oso and Turtle Beach.

### ***FFO and Normalized FFO***

We define FFO as net income, computed in accordance with GAAP, excluding gains or losses from sales of properties, depreciation and amortization related to real estate, impairment charges and adjustments to reflect our share of FFO of unconsolidated joint ventures. Adjustments for unconsolidated joint ventures are calculated to reflect FFO on the same basis. We compute FFO in accordance with our interpretation of standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do.

We believe FFO, as defined by the Board of Governors of NAREIT, is generally a measure of performance for an equity REIT. While FFO is a relevant and widely used measure of operating performance for equity REITs, it does not represent cash flow from operations or net income as defined by GAAP, and it should not be considered as an alternative to these indicators in evaluating liquidity or operating performance.

We define Normalized FFO as FFO excluding non-operating income and expense items, such as gains and losses from early debt extinguishment, including prepayment penalties, defeasance costs, transaction/pursuit costs, and other miscellaneous non-comparable items. Normalized FFO presented herein is not necessarily comparable to Normalized FFO presented by other real estate companies due to the fact that not all real estate companies use the same methodology for computing this amount.

We believe that FFO and Normalized FFO are helpful to investors as supplemental measures of the performance of an equity REIT. We believe that by excluding the effect of gains or losses from sales of properties, depreciation and amortization related to real estate and impairment charges, which are based on historical costs and may be of limited relevance in evaluating current performance, FFO can facilitate comparisons of operating performance between periods and among other equity REITs. We further believe that Normalized FFO provides useful information to investors, analysts and our management because it allows them to compare our operating performance to the operating performance of other real estate companies and between periods on a consistent basis without having to account for differences not related to our normal operations. For example, we believe that excluding the early extinguishment of debt and other miscellaneous non-comparable items from FFO allows investors, analysts and our management to assess the sustainability of operating performance in future periods because these costs do not affect the future operations of the properties. In some cases, we provide information about identified non-cash components of FFO and Normalized FFO because it allows investors, analysts and our management to assess the impact of those items.

Our definitions and calculations of these Non-GAAP financial and operating measures and other terms may differ from the definitions and methodologies used by other REITs and, accordingly, may not be comparable. These Non-GAAP financial and operating measures do not represent cash generated from operating activities in accordance with GAAP, nor do they represent cash available to pay distributions and should not be considered as an alternative to net income, determined in accordance with GAAP, as an indication of our financial performance, or to cash flows from operating activities, determined in accordance with GAAP, as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make cash distributions.

**Management's Discussion and Analysis (continued)**

The following table reconciles net income available for Common Stockholders to income from property operations for the quarters and nine months ended September 30, 2023 and 2022:

<i>(amounts in thousands)</i>	Quarters Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Computation of Income from Property Operations:</b>				
Net income available for Common Stockholders	\$ 76,969	\$ 67,163	\$ 222,260	\$ 211,578
Redeemable preferred stock dividends	—	—	8	8
Income allocated to non-controlling interests – Common OP Units	3,772	3,346	10,981	10,563
Equity in income of unconsolidated joint ventures	(661)	(1,465)	(2,158)	(2,889)
Income before equity in income of unconsolidated joint ventures	80,080	69,044	231,091	219,260
Loss on sale of real estate and impairment, net <sup>(1)</sup>	949	3,747	3,581	3,747
Total other expenses, net	91,094	90,755	280,976	268,617
Gain from home sales operations and other	(4,160)	(5,243)	(8,703)	(11,897)
Income from property operations	\$ 167,963	\$ 158,303	\$ 506,945	\$ 479,727

<sup>(1)</sup> During the nine months ended September 30, 2023, we recorded impairment charges of approximately \$3.6 million primarily related to flooding events at certain Properties in California.

The following table presents a calculation of FFO available for Common Stock and OP Unitholders and Normalized FFO available for Common Stock and OP Unitholders for the quarters and nine months ended September 30, 2023 and 2022:

<i>(amounts in thousands)</i>	Quarters Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Computation of FFO and Normalized FFO:</b>				
Net income available for Common Stockholders	\$ 76,969	\$ 67,163	\$ 222,260	\$ 211,578
Income allocated to non-controlling interests – Common OP Units	3,772	3,346	10,981	10,563
Depreciation and amortization	50,968	52,547	152,934	152,934
Depreciation on unconsolidated joint ventures	1,141	1,035	3,357	—
Gain on unconsolidated joint ventures	—	—	(416)	—
Loss on sale of real estate and impairment, net	949	3,747	3,581	—
FFO available for Common Stock and OP Unit holders	133,799	127,838	392,697	381,475
Early debt retirement	68	—	68	—
Transaction/pursuit costs <sup>(1)</sup>	—	302	117	—
Accelerated vesting of stock-based compensation <sup>(2)</sup>	—	—	6,320	—
Lease termination expenses <sup>(3)</sup>	—	2,073	90	—
Normalized FFO available for Common Stock and OP Unit holders	\$ 133,867	\$ 130,213	\$ 399,292	\$ 381,475
Weighted average Common Shares outstanding – Fully Diluted	195,440	195,269	195,414	195,269

<sup>(1)</sup> Represents transaction/pursuit costs related to un consummated acquisitions included in Other expenses in the Consolidated Statements of Income and Comprehensive Income.

<sup>(2)</sup> Represents accelerated vesting of stock-based compensation expense of \$6.3 million recognized during the quarter ended June 30, 2023 as a result of the passing of a member of our Board of Directors.

<sup>(3)</sup> Represents non-operating expenses associated with the Westwinds ground leases that terminated on August 31, 2022 and is included in General and administrative expense in the Consolidated Statements of Income and Comprehensive Income.

**Results of Operations**

This section discusses the comparison of our results of operations for the quarters and nine months ended September 30, 2023 and September 30, 2022 and our operating activities, investing activities and financing activities for the nine months ended September 30, 2023 and September 30, 2022. For the comparison of our results of operations for the quarters and nine months ended September 30, 2022 and September 30, 2021 and discussion of our operating activities, investing activities and financing activities for the nine months ended September 30, 2022 and September 30, 2021, refer to *Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations* of the Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2022, filed with the SEC on October 21, 2022.

**Comparison of the Quarter Ended September 30, 2023 to the Quarter Ended September 30, 2022**
**Income from Property Operations**

The following table summarizes certain financial and statistical data for our Core Portfolio and total portfolio for the quarters ended September 30, 2023 and September 30, 2022:

(amounts in thousands)	Core Portfolio				Total Portfolio			
	Quarters Ended September 30,				Quarters Ended September 30,			
	2023	2022	Variance	% Change	2023	2022	Variance	% Change
MH base rental income <sup>(1)</sup>	\$ 167,780	\$ 157,037	\$ 10,743	6.8 %	\$ 167,937	\$ 159,045	\$ 8,892	5.6 %
Rental home income <sup>(1)</sup>	3,542	3,729	(187)	(5.0)%	3,553	3,744	(191)	(5.1)%
RV and marina base rental income <sup>(1)</sup>	106,426	104,297	2,129	2.0 %	112,819	109,882	2,937	2.7 %
Annual membership subscriptions	16,242	15,833	409	2.6 %	16,673	16,254	419	2.6 %
Membership upgrades sales <sup>(2)</sup>	3,331	2,427	904	37.2 %	3,744	3,308	436	13.2 %
Utility and other income <sup>(1)</sup>	31,350	29,582	1,768	6.0 %	35,840	32,746	3,094	9.4 %
Property operating revenues	328,671	312,905	15,766	5.0 %	340,566	324,979	15,587	4.8 %
Property operating and maintenance <sup>(1)(3)</sup>	122,469	117,640	4,829	4.1 %	126,238	122,513	3,725	3.0 %
Real estate taxes	18,529	16,577	1,952	11.8 %	19,017	17,734	1,283	7.2 %
Rental home operating and maintenance	1,762	1,483	279	18.8 %	1,765	1,489	276	18.5 %
Membership sales and marketing <sup>(4)</sup>	5,595	5,413	182	3.4 %	5,696	5,937	(241)	(4.1)%
Property operating expenses, excluding property management	148,355	141,113	7,242	5.1 %	152,716	147,673	5,043	3.4 %
Income from property operations, excluding property management <sup>(5)</sup>	180,316	171,792	8,524	5.0 %	187,850	177,306	10,544	5.9 %
Property management	19,887	19,003	884	4.7 %	19,887	19,003	884	4.7 %
Income from property operations <sup>(5)</sup>	\$ 160,429	\$ 152,789	\$ 7,640	5.0 %	\$ 167,963	\$ 158,303	\$ 9,660	6.1 %

<sup>(1)</sup> Rental income consists of the following total portfolio income items in this table: 1) MH base rental income, 2) Rental home income, 3) RV and marina base rental income and 4) Utility income, which is calculated by subtracting Other income on the Consolidated Statements of Income and Comprehensive Income from Utility and other income in this table. The difference between the sum of the total portfolio income items and Rental income on the Consolidated Statements of Income and Comprehensive Income is bad debt expense, which is presented in Property operating and maintenance expense in this table.

<sup>(2)</sup> Membership upgrade sales revenue is net of deferrals of \$7.0 million and \$7.8 million for the quarters ended September 30, 2023 and September 30, 2022, respectively.

<sup>(3)</sup> Includes bad debt expense for all periods presented.

<sup>(4)</sup> Membership sales and marketing expense is net of sales commission deferrals of \$1.2 million for both quarters ended September 30, 2023 and September 30, 2022.

<sup>(5)</sup> See *Part I. Item 2. Management's Discussion and Analysis—Non-GAAP Financial Measures* for definitions and reconciliations of these Non-GAAP measures to Net Income available for Common Shareholders.

Total portfolio income from property operations for the quarter ended September 30, 2023, increased \$9.7 million, or 6.1%, from the quarter ended September 30, 2022, driven by an increase of \$7.6 million, or 5.0%, from our Core Portfolio, and an increase of \$2.1 million from our Non-Core Portfolio. The increase in income from property operations from our Core Portfolio was primarily due to higher property operating revenues, primarily in MH base rental income, RV and marina base rental income and Utility and other income, partially offset by an increase in property operating and maintenance expenses and real estate taxes.

Property Operating Revenues

MH base rental income in our Core Portfolio for the quarter ended September 30, 2023 increased \$10.7 million, or 6.8%, from the quarter ended September 30, 2022, which reflects 7.1% growth from rate increases and a decline of 0.3% in occupancy. The average monthly base rental income per Site in our Core Portfolio increased to approximately \$813 for the quarter ended September 30, 2023 from approximately \$759 for the quarter ended September 30, 2022. The average occupancy for our Core Portfolio was 94.9% for the quarter ended September 30, 2023 and 95.2% for the quarter ended September 30, 2022.

RV and marina base rental income is comprised of the following:

	Core Portfolio				Total Portfolio			
	Quarters Ended September 30,				Quarters Ended September 30,			
(amounts in thousands)	2023	2022	Variance	% Change	2023	2022	Variance	% Change
Annual	\$ 70,374	\$ 65,181	\$ 5,193	8.0 %	\$ 74,125	\$ 68,008	\$ 6,117	9.0 %
Seasonal	8,035	8,779	(744)	(8.5)%	8,462	9,478	(1,016)	(10.7)%
Transient	28,017	30,337	(2,320)	(7.6)%	30,232	32,396	(2,164)	(6.7)%
RV and marina base rental income	\$ 106,426	\$ 104,297	\$ 2,129	2.0 %	\$ 112,819	\$ 109,882	\$ 2,937	2.7 %

RV and marina base rental income in our Core Portfolio for the quarter ended September 30, 2023 increased \$2.1 million, or 2.0%, from the quarter ended September 30, 2022, driven by an increase in Annual RV and marina base rental income, partially offset by a decrease in Transient and Seasonal RV and marina base rental income. The increase in Annual RV and marina base rental income of 8.0% was driven by an increase in rate of 7.8%. The decrease in Transient RV and marina base rental income of 7.6% was primarily due to a decrease in Transient RV revenue as a result of a reduction in the number of Transient sites available and local storm events across the portfolio, particularly in the North, Northeast and California during the quarter ended September 30, 2023.

Utility and other income in our Core Portfolio for the quarter ended September 30, 2023 increased \$1.8 million, or 6.0%, from the quarter ended September 30, 2022. The increase was primarily due to a \$1.3 million and \$1.0 million increase in utility income and other property income, respectively. The increase in utility income was primarily due to an increase in trash and electric income in all regions except California and sewer income in all regions except the Northeast.

Property Operating Expenses

Property operating expenses, excluding property management, in our Core Portfolio for the quarter ended September 30, 2023 increased \$7.2 million, or 5.1%, from the quarter ended September 30, 2022, driven by increases in property operating and maintenance expenses of \$4.8 million. Core property operating and maintenance expenses were higher in 2023 primarily due to increases in insurance of \$2.0 million, repair and maintenance expenses of \$1.8 million and utility expenses of \$1.4 million.

***Home Sales and Rental Operations***
***Home Sales and Other***

The following table summarizes certain financial and statistical data for our Home Sales and Other Operations:

	Quarters Ended September 30,			
	2023	2022	Variance	% Change
<i>(amounts in thousands, except home sales volumes)</i>				
Gross revenues from new home sales	\$ 27,684	\$ 32,850	\$ (5,166)	(15.7)%
Cost of new home sales	24,068	29,380	(5,312)	(18.1)%
Gross revenues from used home sales	1,020	972	48	4.9 %
Cost of used home sales	932	747	185	24.8 %
Gross revenue from brokered resales and ancillary services	16,091	18,725	(2,634)	(14.1)%
Cost of brokered resales and ancillary services	8,471	10,097	(1,626)	(16.1)%
Home selling and ancillary operating expenses	7,164	7,080	84	1.2 %
<b>Home sales volumes</b>				
New home sales <sup>(1)</sup>	285	331	(46)	(13.9)%
Used home sales	84	81	3	3.7 %
Brokered home resales	160	223	(63)	(28.3)%

<sup>(1)</sup> Total new home sales volume for the quarter ended September 30, 2022 includes 21 home sales from our ECHO JV.

Gross revenues from new home sales decreased \$5.2 million and Cost of new home sales decreased \$5.3 million during the quarter ended September 30, 2023, compared to the quarter ended September 30, 2022, primarily due to a decrease in new home sales.

***Rental Operations***

The following table summarizes certain financial and statistical data for our MH Rental Operations:

	Quarters Ended September 30,			
	2023	2022	Variance	% Change
<i>(amounts in thousands, except rental unit volumes)</i>				
Rental operations revenue <sup>(1)</sup>	\$ 9,406	\$ 10,420	\$ (1,014)	(9.7)%
Rental home operating and maintenance expenses	1,762	1,483	279	18.8 %
Depreciation on rental homes <sup>(2)</sup>	2,726	2,521	205	8.1 %
Gross investment in new manufactured home rental units <sup>(3)</sup>	\$ 249,568	\$ 221,840	\$ 27,728	12.5 %
Gross investment in used manufactured home rental units	\$ 12,606	\$ 15,226	\$ (2,620)	(17.2)%
Net investment in new manufactured home rental units <sup>(3)</sup>	\$ 207,303	\$ 180,299	\$ 27,004	15.0 %
Net investment in used manufactured home rental units	\$ 7,481	\$ 8,657	\$ (1,176)	(13.6)%
Number of occupied rentals – new, end of period <sup>(4)</sup>	2,086	2,594	(508)	(19.6)%
Number of occupied rentals – used, end of period	259	355	(96)	(27.0)%

<sup>(1)</sup> Consists of Site rental income and home rental income. Approximately \$5.9 million and \$6.7 million for the quarters ended September 30, 2023 and September 30, 2022, respectively, of Site rental income is included in MH base rental income in the Core Portfolio Income from Property Operations table. The remainder of home rental income is included in Rental home income in our Core Portfolio Income from Property Operations table.

<sup>(2)</sup> Presented in Depreciation and amortization in the Consolidated Statements of Income and Comprehensive Income.

<sup>(3)</sup> Includes both occupied and unoccupied rental homes in our Core Portfolio. New home cost basis does not include the costs associated with our ECHO JV. Our investment in the ECHO JV as of September 30, 2022 was \$19.0 million.

<sup>(4)</sup> Occupied rentals as of the end of the period in our Core Portfolio. Included in occupied rentals as of September 30, 2022 were 165 homes rented through our ECHO JV.

## Management's Discussion and Analysis (continued)

Rental operations revenues were \$1.0 million or 9.7% lower during the quarter ended September 30, 2023, compared to the quarter ended September 30, 2022, primarily due to a decrease in the number of occupied rentals.

### **Other Income and Expenses**

The following table summarizes other income and expenses, net:

	Quarters Ended September 30,			
	2023	2022	Variance	% Change
<i>(amounts in thousands, expenses shown as negative)</i>				
Depreciation and amortization	\$ (50,968)	\$ (52,547)	\$ 1,579	3.0 %
Interest income	2,276	1,865	411	22.0 %
Income from other investments, net	2,333	2,399	(66)	(2.8)%
General and administrative	(9,895)	(11,086)	1,191	10.7 %
Other expenses	(1,338)	(1,627)	289	17.8 %
Early debt retirement	(68)	—	(68)	— %
Interest and related amortization	(33,434)	(29,759)	(3,675)	(12.3)%
Total other income and expenses, net	\$ (91,094)	\$ (90,755)	\$ (339)	(0.4)%

Total other income and expenses, net increased \$0.3 million for the quarter ended September 30, 2023, compared to the quarter ended September 30, 2022, primarily due to higher interest and related amortization expense as a result of an increase in interest rates, partially offset by decreases in depreciation and amortization and general and administrative expenses.

### **Casualty-related charges/(recoveries), net**

During the quarter ended September 30, 2023, we recorded \$1.8 million of expenses for debris removal and cleanup costs and an offsetting insurance recovery revenue of \$1.8 million related to Hurricane Ian.



**Comparison of the Nine Months Ended September 30, 2023 to the Nine Months Ended September 30, 2022**
***Income from Property Operations***

The following table summarizes certain financial and statistical data for the Core Portfolio and the total portfolio for the nine months ended September 30, 2023 and 2022:

	Core Portfolio				Total Portfolio			
	Nine Months Ended September 30,				Nine Months Ended September 30,			
(amounts in thousands)	2023	2022	Variance	% Change	2023	2022	Variance	% Change
MH base rental income <sup>(1)</sup>	\$ 498,442	\$ 467,233	\$ 31,209	6.7 %	\$ 498,906	\$ 475,070	\$ 23,836	5.0 %
Rental home income <sup>(1)</sup>	11,096	11,487	(391)	(3.4)%	11,130	11,519	(389)	(3.4)%
RV and marina base rental income <sup>(1)</sup>	311,228	301,112	10,116	3.4 %	326,280	316,984	9,296	2.9 %
Annual membership subscriptions	47,738	45,885	1,853	4.0 %	48,832	47,003	1,829	3.9 %
Membership upgrade sales <sup>(2)</sup>	10,127	8,217	1,910	23.2 %	10,863	9,543	1,320	13.8 %
Utility and other income <sup>(1)</sup>	90,062	83,457	6,605	7.9 %	107,029	92,612	14,417	15.6 %
Property operating revenues	968,693	917,391	51,302	5.6 %	1,003,040	952,731	50,309	5.3 %
Property operating and maintenance <sup>(1)(3)</sup>	351,319	328,194	23,125	7.0 %	361,282	340,821	20,461	6.0 %
Real estate taxes	54,403	52,025	2,378	4.6 %	56,165	56,373	(208)	(0.4)%
Rental home operating and maintenance	3,879	4,094	(215)	(5.3)%	3,883	4,117	(234)	(5.7)%
Membership sales and marketing <sup>(4)</sup>	15,821	15,060	761	5.1 %	16,055	15,720	335	2.1 %
Property operating expenses, excluding property management	425,422	399,373	26,049	6.5 %	437,385	417,031	20,354	4.9 %
Income from property operations, excluding property management <sup>(5)</sup>	543,271	518,018	25,253	4.9 %	565,655	535,700	29,955	5.6 %
Property management	58,710	55,972	2,738	4.9 %	58,710	55,973	2,737	4.9 %
Income from property operations <sup>(5)</sup>	\$ 484,561	\$ 462,046	\$ 22,515	4.9 %	\$ 506,945	\$ 479,727	\$ 27,218	5.7 %

<sup>(1)</sup> Rental income consists of the following total portfolio income items: 1) MH base rental income, 2) Rental home income, 3) RV and marina base rental income and 4) Utility income, which is calculated by subtracting Other income on the Consolidated Statements of Income and Comprehensive Income from Utility and other income in this table. The difference between the sum of the total portfolio income items and Rental income on the Consolidated Statements of Income and Comprehensive Income is bad debt expense, which is presented in Property operating maintenance expense in this table.

<sup>(2)</sup> Membership upgrade sales revenue is net of deferrals of \$17.2 million and \$18.2 million for the nine months ended September 30, 2023 and September 30, 2022, respectively.

<sup>(3)</sup> Includes bad debt expense for all periods presented.

<sup>(4)</sup> Membership sales and marketing expense is net of sales commission deferrals of \$2.8 million and \$2.7 million for the nine months ended September 30, 2023 and September 30, 2022, respectively.

<sup>(5)</sup> See *Part I, Item 2. Management's Discussion and Analysis—Non-GAAP Financial Measures* for definitions and reconciliation of these Non-GAAP measures to Net Income available for Common Shareholders.

Total Portfolio income from property operations for the nine months ended September 30, 2023 increased \$27.2 million, or 5.7%, from the same period in 2022, driven by an increase of \$22.5 million, or 4.9%, from our Core Portfolio and an increase of \$4.7 million from our Non-Core Portfolio. The increase in income from property operations from our Core Portfolio was primarily due to higher property operating revenues, primarily in MH base rental income, RV and marina base rental income and Utility and other income, partially offset by an increase in property operating and maintenance expenses.

***Property Operating Revenues***

MH base rental income in our Core Portfolio for the nine months ended September 30, 2023 increased \$31.2 million, or 6.7%, from the same period in 2022, which reflects 6.9% growth from rate increases and 0.2% decline in occupancy. The average monthly base rental income per Site increased to approximately \$805 for the nine months ended September 30, 2023 from approximately \$753 for the nine months ended September 30, 2022. The average occupancy for the Core Portfolio was 94.9% for the nine months ended September 30, 2023 compared to 95.1% for the nine months ended September 30, 2022.

## Management's Discussion and Analysis (continued)

RV and marina base rental income is comprised of the following:

	Core Portfolio				Total Portfolio			
	Nine Months Ended September 30,				Nine Months Ended September 30,			
(amounts in thousands)	2023	2022	Variance	% Change	2023	2022	Variance	% Change
Annual	\$ 206,440	\$ 191,018	\$ 15,422	8.1 %	\$ 216,163	\$ 198,994	\$ 17,169	8.6 %
Seasonal	44,518	42,186	2,332	5.5 %	45,908	45,576	332	0.7 %
Transient	60,270	67,908	(7,638)	(11.2)%	64,209	72,414	(8,205)	(11.3)%
RV and marina base rental income	\$ 311,228	\$ 301,112	\$ 10,116	3.4 %	\$ 326,280	\$ 316,984	\$ 9,296	2.9 %

RV and marina base rental income in our Core Portfolio for the nine months ended September 30, 2023 increased \$10.1 million, or 3.4%, from the same period in 2022 primarily due to increases in Annual and Seasonal RV and marina base rental income, partially offset by a decrease in Transient RV base rental income. The increase in Annual RV and marina base rental income of \$15.4 million, or 8.1% was primarily due to the South, Northeast and West regions. The increase in Seasonal RV and marina base rental income of \$2.3 million, or 5.5% was driven by increases in the South and West regions during the first quarter where we had 15.0% and 9.1% increases, respectively. Since September 30, 2022, we have increased our Core RV and marina annual site count by approximately 40% resulting in a reduction in the number of transient sites available for use. We also experienced significant weather events during the nine months ended September 30, 2023 in California, the Pacific Northwest, and the East Coast, which impacted our Transient RV and marina base rental income.

Utility and other income in our Core Portfolio for the nine months ended September 30, 2023 increased \$6.6 million, or 7.9%, from the same period in 2022. The increase was primarily due to an increase in utility income and other property income of \$4.7 million and \$2.1 million, respectively. The increase in utility income was primarily due to increases in trash, sewer and electric income. The utility recovery rate (utility income divided by utility expenses) for 2023 and 2022 was approximately 45% and 44%, respectively.

### Property Operating Expenses

Property operating expenses, excluding property management, in our Core Portfolio for the nine months ended September 30, 2023 increased \$26.0 million, or 6.5%, from the same period in 2022, driven by increases in property operating and maintenance expenses of \$23.1 million. Core property operating and maintenance expenses were higher during the nine months ended September 30, 2023, compared to the same period in 2022 due to increases in utility expenses of \$7.6 million, repair and maintenance expenses of \$6.5 million, insurance of \$5.9 million, and property payroll expenses of \$2.9 million.

***Home Sales and Rental Operations***
***Home Sales and Other***

The following table summarizes certain financial and statistical data for Home Sales and Other Operations:

	<b>Nine Months Ended September 30,</b>			
	<b>2023</b>	<b>2022</b>	<b>Variance</b>	<b>% Change</b>
<i>(amounts in thousands, except home sales volumes)</i>				
Gross revenues from new home sales	\$ 69,036	\$ 92,228	\$ (23,192)	(25.1)%
Cost of new home sales	61,542	82,726	(21,184)	(25.6)%
Gross revenues from used home sales	3,229	3,337	(108)	(3.2)%
Cost of used home sales	2,987	3,594	(607)	(16.9)%
Gross revenue from brokered resales and ancillary services	43,576	49,372	(5,796)	(11.7)%
Cost of brokered resales and ancillary services	21,351	25,574	(4,223)	(16.5)%
Home selling and ancillary operating expenses	21,258	21,146	112	0.5 %
<b>Home sales volumes</b>				
New home sales <sup>(1)</sup>	687	957	(270)	(28.2)%
Used home sales	252	250	2	0.8 %
Brokered home resales	495	674	(179)	(26.6)%

<sup>(1)</sup> Total new home sales volume for the nine months ended September 30, 2022 includes 72 home sales from our ECHO JV.

Gross revenues from new home sales decreased \$23.2 million and Cost of new home sales decreased \$21.2 million during the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily due to a decrease in new home sales.

***Rental Operations***

The following table summarizes certain financial and statistical data for MH Rental Operations:

	<b>Nine Months Ended September 30,</b>			
	<b>2023</b>	<b>2022</b>	<b>Variance</b>	<b>% Change</b>
<i>(amounts in thousands, except rental unit volumes)</i>				
Rental operations revenue <sup>(1)</sup>	\$ 29,491	\$ 32,635	\$ (3,144)	(9.6)%
Rental home operating and maintenance expenses	3,879	4,094	(215)	(5.3)%
Depreciation on rental homes <sup>(2)</sup>	8,275	7,538	737	9.8 %
Gross investment in new manufactured home rental units <sup>(3)</sup>	\$ 249,568	\$ 221,840	\$ 27,728	12.5 %
Gross investment in used manufactured home rental units	\$ 12,606	\$ 15,226	\$ (2,620)	(17.2)%
Net investment in new manufactured home rental units	\$ 207,303	\$ 180,299	\$ 27,004	15.0 %
Net investment in used manufactured home rental units	\$ 7,481	\$ 8,657	\$ (1,176)	(13.6)%
Number of occupied rentals – new, end of period <sup>(4)</sup>	2,086	2,594	(508)	(19.6)%
Number of occupied rentals – used, end of period	259	355	(96)	(27.0)%

<sup>(1)</sup> Rental operations revenue consists of Site rental income and home rental income in our Core Portfolio. Approximately \$18.4 million and \$21.1 million of Site rental income for the nine months ended September 30, 2023 and 2022, respectively, are included in MH base rental income within the Core Portfolio Income from Property Operations table. The remainder of home rental income is included in Rental home income within the Core Portfolio Income from Property Operations table.

<sup>(2)</sup> Presented in Depreciation and amortization in the Consolidated Statements of Income and Comprehensive Income.

<sup>(3)</sup> Includes both occupied and unoccupied rental homes in our Core Portfolio. New home cost basis does not include the costs associated with our ECHO JV. Our investment in the ECHO JV as of September 30, 2022 was \$19.0 million.

<sup>(4)</sup> Occupied rentals as of the end of the period in our Core Portfolio. Included in occupied rentals as of September 30, 2022 were 165 homes rented through our ECHO JV.

## Management's Discussion and Analysis (continued)

Rental operations revenues were \$3.1 million or 9.6% lower during the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily due to a decrease in the number of occupied rentals.

### Other Income and Expenses

The following table summarizes other income and expenses, net:

<i>(amounts in thousands, expenses shown as negative)</i>	Nine Months Ended September 30,			% Change
	2023	2022	Variance	
Depreciation and amortization	\$ (152,934)	\$ (152,737)	\$ (197)	(0.1)%
Interest income	6,623	5,346	1,277	23.9 %
Income from other investments, net	6,897	6,920	(23)	(0.3)%
General and administrative	(38,163)	(34,834)	(3,329)	(9.6)%
Other expenses	(4,187)	(6,880)	2,693	39.1 %
Early debt retirement	(68)	(1,156)	1,088	94.1 %
Interest and related amortization	(99,144)	(85,276)	(13,868)	(16.3)%
Total other income and expenses, net	<u>\$ (280,976)</u>	<u>\$ (268,617)</u>	<u>\$ (12,359)</u>	<u>(4.6)%</u>

Total other income and expenses, net increased \$12.4 million during the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily due to higher interest and related amortization expense as a result of an increase in interest rates and higher general and administrative expense primarily as a result of accelerated vesting of stock-based compensation expense.

### Casualty-related charges/(recoveries), net

During the nine months ended September 30, 2023, we recorded \$12.1 million of expenses for debris removal and cleanup costs and an offsetting insurance recovery revenue of \$12.1 million related to Hurricane Ian.

### Loss on sale of real estate and impairment, net

During the nine months ended September 30, 2023, we recorded an impairment charge of approximately \$3.6 million primarily related to flooding events at certain California properties.

## Liquidity and Capital Resources

### Liquidity

Our primary demands for liquidity include payment of operating expenses, dividend distributions, debt service, including principal and interest, capital improvements on Properties, home purchases and property acquisitions. We expect similar demand for liquidity will continue for the short-term and long-term. Our primary sources of cash include operating cash flows, proceeds from financings, borrowings under our unsecured line of credit (the "LOC") and proceeds from issuance of equity and debt securities.

One of our stated objectives is to maintain financial flexibility. Achieving this objective allows us to take advantage of strategic opportunities that may arise. When investing capital, we consider all potential uses, including returning capital to our stockholders or the conditions under which we may repurchase our stock. These conditions include, but are not limited to, market price, balance sheet flexibility, alternative opportunistic capital uses and capital requirements. We believe effective management of our balance sheet, including maintaining various access points to raise capital, managing future debt maturities and borrowing at competitive rates, enables us to meet this objective. Accessing long-term low-cost secured debt continues to be our focus.

As of September 30, 2023, we had available liquidity in the form of approximately 413.6 million shares of authorized and unissued common stock, par value \$0.01 per share, and 10.0 million shares of authorized and unissued preferred stock registered for sale under the Securities Act of 1933, as amended.

We also utilize interest rate swaps to add stability to our interest expense and to manage our exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The changes in the fair value of the designated derivative are recorded in accumulated other comprehensive income (loss) on

## Management's Discussion and Analysis (continued)

the Consolidated Balance Sheets and subsequently reclassified into earnings on the Consolidated Statements of Income and Comprehensive Income in the period that the hedged forecasted transaction affects earnings. For additional information regarding our interest rate swap, see *Part I. Item 1. Financial Statements—Note 9. Derivative Instruments and Hedging*.

We previously entered into a Third Amended and Restated Credit Agreement (“Credit Agreement”), pursuant to which we have access to a \$500.0 million unsecured LOC and a \$300.0 million senior unsecured term loan (the “\$300 million Term Loan”). On March 1, 2023, we amended the Credit Agreement to transition the LIBOR rate borrowings to Secured Overnight Financing Rate (“SOFR”) borrowings. See *Part I. Item 1. Financial Statements—Note 8. Borrowing Arrangements* for further details. As of September 30, 2023, the Company has no remaining LIBOR based borrowings.

In June 2023, we closed on a secured financing transaction generating gross proceeds of \$89.0 million (the “June 2023 financing”). The loan represents an incremental borrowing from an existing secured facility, has a fixed interest rate of 5.04% per annum and matures in ten years.

In July and August 2023, we closed on three secured financing transactions generating gross proceeds of \$375.0 million. The loans are secured by 20 MH and RV properties, have a weighted average fixed interest rate of 5.05% per annum and a weighted average maturity of approximately eight years.

During the quarter ended September 30, 2023, proceeds from the four secured financing transactions were used to repay \$100.4 million of principal on three mortgage loans that were due to mature in 2023 and 2024 and the remaining outstanding balance on the LOC. The repaid mortgage loans had a weighted average fixed interest rate of 4.94% per annum and were secured by 14 MH and RV properties.

In connection with our \$300 million Term Loan, we entered into a Swap Agreement (the “2021 Swap”) allowing us to trade the variable interest rate for a fixed interest rate. During the nine months ended September 30, 2023, in connection with the amendment to the Credit Agreement, we replaced the LIBOR benchmarked swap with a SOFR benchmarked swap. See *Part I. Item 1. Financial Statements—Note 9. Derivative Instruments and Hedging* for further details.

We previously entered into a \$200.0 million senior unsecured term loan agreement. In connection with our \$200 million Term Loan, in April 2023, we entered into a Swap Agreement (the “2023 Swap”) allowing us to trade the variable interest rate for a fixed interest rate. See *Part I. Item 1. Financial Statements—Note 9. Derivative Instruments and Hedging* for further details.

We expect to meet our short-term liquidity requirements, including principal payments, capital improvements and dividend distributions for the next twelve months, generally through available cash, net cash provided by operating activities and our LOC. As of September 30, 2023, our LOC had a borrowing capacity of \$500.0 million.

We expect to meet certain long-term liquidity requirements, such as scheduled debt maturities, property acquisitions and capital improvements, using long-term collateralized and uncollateralized borrowings including the existing LOC and the issuance of debt securities.

The following table summarizes our cash flows activity:

	Nine Months Ended September 30,	
	2023	2022
<i>(amounts in thousands)</i>		
Net cash provided by operating activities <sup>(1)</sup>	\$ 418,658	\$ 405,123
Net cash used in investing activities <sup>(1)</sup>	(237,519)	(316,186)
Net cash used in financing activities	(143,806)	(181,825)
Net increase (decrease) in cash and restricted cash	\$ 37,333	\$ (92,888)

<sup>(1)</sup> Amounts are restated. See *Part I. Item 1. Financial Statements – Note 2. Summary of Significant Accounting Policies: (e) Prior Period Correction* for more information.

### Operating Activities

Net cash provided by operating activities increased \$13.5 million to \$418.7 million for the nine months ended September 30, 2023 from \$405.1 million for the nine months ended September 30, 2022. The increase in net cash provided by operating activities was primarily due to a net increase in proceeds from insurance claims and higher income from property operations, partially offset by an increase in Manufactured homes, net.

The following table summarizes our purchase and sale activity of manufactured homes:

## Management's Discussion and Analysis (continued)

(amounts in thousands)

Purchase of manufactured homes  
Sale of manufactured homes  
Manufactured homes, net

Nine Months Ended September 30,			
	2023		2022
\$	(90,477)	\$	(82,698)
	58,497		75,726
\$	(31,980)	\$	(6,972)

### Investing Activities

Net cash used in investing activities decreased \$78.7 million to \$237.5 million for the nine months ended September 30, 2023 from \$316.2 million for the nine months ended September 30, 2022. The decrease was due to a decrease in spending on acquisitions of \$109.9 million and a decrease in investments in unconsolidated joint ventures of \$10.0 million, partially offset by an increase in capital improvement spending of \$45.3 million.

### Capital Improvements

The following table summarizes capital improvements:

(amounts in thousands)

Asset preservation <sup>(1)</sup>  
Improvements and renovations<sup>(2)</sup>  
Property upgrades and development <sup>(3)</sup>  
Site development <sup>(4)</sup>  
Total property improvements  
Corporate  
Total capital improvements

Nine Months Ended September 30,			
	2023		2022
\$	41,246	\$	32,302
	29,505		26,950
	132,310		97,800
	22,596		16,683
	225,657		173,735
	5,515		12,181
\$	231,172	\$	185,916

<sup>(1)</sup> Includes upkeep of property infrastructure including utilities and streets and replacement of community equipment and vehicles.

<sup>(2)</sup> Includes enhancements to amenities such as buildings, common areas, swimming pools and replacement of furniture and site amenities.

<sup>(3)</sup> Includes \$28.3 million of restoration and improvement capital expenditures related to Hurricane Ian for the nine months ended September 30, 2023.

<sup>(4)</sup> Includes capital expenditures to improve the infrastructure required to set manufactured homes.

### Financing Activities

Net cash used in financing activities decreased \$38.0 million to \$143.8 million for the nine months ended September 30, 2023 from \$181.8 million for the nine months ended September 30, 2022. The decrease was primarily due to a decrease in net debt repayments of approximately \$90.6 million compared to the same period in the prior year, partially offset by a decrease in proceeds from the sale of common stock under our prior at-the-market equity offering program of approximately \$28.4 million.

### Contractual Obligations

Significant ongoing contractual obligations consist primarily of long-term borrowings, interest expense, operating leases, LOC maintenance fees and ground leases. For a summary and complete presentation and description of our ongoing commitments and contractual obligations, see *Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations* in our 2022 Form 10-K/A.

### Off-Balance Sheet Arrangements

As of September 30, 2023, we have no off-balance sheet arrangements.

### Critical Accounting Policies and Estimates

Refer to *Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* in our 2022 Form 10-K/A for a discussion of our critical accounting policies. There have been no significant changes to our critical accounting policies and estimates during the quarter ended September 30, 2023.

### Forward-Looking Statements

This Quarterly Report on Form 10-Q/A 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 acquisitions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, including, but not limited to:

- our ability to control costs and real estate market conditions, our ability to retain 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 attract and retain customers entering, renewing and upgrading membership subscriptions;
- our assumptions about rental and home sales markets;
- our ability to manage counterparty risk;
- our ability to renew our insurance policies at existing rates and on consistent terms;
- 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, including an adequate supply of homes at reasonable costs, 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;
- impact of the COVID-19 pandemic or other highly infectious or contagious diseases on our business operations, our residents, our customers, our employees and the economy generally;
- effective integration of recent acquisitions and our estimates regarding the future performance of recent acquisitions;
- the completion of future transactions in their entirety, if any, and timing and effective integration with respect thereto;
- unanticipated costs or unforeseen liabilities associated with recent acquisitions;
- the effect of Hurricane Ian on our business including, but not limited to the following: (i) the timing and cost of recovery, (ii) the condition of properties and the impact on occupancy demand and related rent revenue and (iii) the timing and amount of insurance proceeds;
- our ability to obtain financing or refinance existing debt on favorable terms or at all;
- the effect of inflation and interest rates;
- the effect from any breach of our, or any of our vendors', data management systems;
- the dilutive effects of issuing additional securities;
- the potential impact of, and our ability to remediate, material weaknesses in our internal control over financial reporting;
- the outcome of pending or future lawsuits or actions brought by or against us, including those disclosed in our filings with the Securities and Exchange Commission; 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.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We disclosed a quantitative and qualitative analysis regarding market risk in *Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk* in our 2022 Form 10-K/A. There have been no material changes in the assumptions used or results obtained regarding market risk since December 31, 2022.

**Item 4. Controls and Procedures*****Evaluation of Disclosure Controls and Procedures***

Our management with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2023. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to give reasonable assurances to the timely collection, evaluation and disclosure of information relating to us that would potentially be subject to disclosure under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder as of September 30, 2023. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

***Remediation of Material Weakness***

As previously disclosed in our Amended Quarterly Reports on Form 10-Q/A for the quarters ended March 31, 2023 and June 30, 2023, management identified a material weakness related to a lack of an effectively designed control activity related to the evaluation of the classification of cash flows pursuant to the predominance principle in ASC 230 associated with the purchase and sale of manufactured homes within the Consolidated Statements of Cash Flows. During the quarter ended June 30, 2023, we enhanced our control activities related to the evaluation of the classification of cash flows pursuant to the predominance principle in ASC 230 associated with the purchase and sale of manufactured homes within the Consolidated Statement of Cash Flows. We tested the enhanced control activities as of June 30, 2023 and September 30, 2023 and management has concluded, through its testing, that the control is operating effectively and the material weakness was remediated as of September 30, 2023.

***Changes in Internal Control Over Financial Reporting***

Other than the item noted above, during the quarter ended September 30, 2023, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



## Part II – Other Information

### Item 1. Legal Proceedings

See *Part I. Item 1. Financial Statements—Note 12. Commitments and Contingencies* accompanying the Consolidated Financial Statements in this Quarterly Report on Form 10-Q/A.

### Item 1A. Risk Factors

A description of the risk factors associated with our business are discussed in *Part I. Item 1A. Risk Factors* in our 2022 Form 10-K/A. On April 1, 2023, we renewed our property and casualty insurance policies. We have updated our risk factors disclosed in *Part I. Item 1A. Risk Factors* in our 2022 Form 10-K/A with the risk factor described below.

#### *Some Potential Losses Are Not Covered by Insurance*

We carry comprehensive insurance coverage for losses resulting from property damage and environmental liability and business interruption claims on all of our Properties. In addition, we carry liability coverage for other activities not specifically related to property operations. These coverages include, but are not limited to, Directors & Officers liability, Employment Practices liability, Fiduciary liability and Cyber liability. We believe that the policy specifications and coverage limits of these policies should be adequate and appropriate given the relative risk of loss, the cost of insurance and industry practice. There are, however, certain types of losses, such as punitive damages, lease and other contract claims that generally are not insured. Should an uninsured loss or a loss in excess of coverage limits occur, we could lose all or a portion of the capital we have invested in a Property or the anticipated future revenue from a Property. In such an event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the Property.

Our current property and casualty insurance policies with respect to our MH and RV Properties renewed on April 1, 2023. We have a \$125 million per occurrence limit with respect to our MH and RV all-risk property insurance program, which includes approximately \$50 million of coverage per occurrence for named windstorms, which include, for example, hurricanes. The loss limit is subject to additional sub-limits as set forth in the policy form, including, among others, a \$25 million aggregate loss limit for earthquake(s) in California. The deductibles for this policy primarily range from \$500,000 minimum to 5% per unit of insurance for most catastrophic events. For most catastrophic events, there is an additional one-time aggregate deductible of \$10 million, which is capped at \$5 million per occurrence. We have separate insurance policies with respect to our marina Properties. Those casualty policies expire on November 1, 2023, and the property insurance program renewed on April 1, 2023. The marina property insurance program has a \$25 million per occurrence limit, subject to self-insurance and a minimum deductible of \$100,000 plus, for named windstorms, 5% per unit of insurance subject to a \$500,000 minimum. A deductible indicates our maximum exposure, subject to policy limits and sub-limits, in the event of a loss.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

None.

### Item 5. Other Information

During the quarter ended September 30, 2023, none of the Company's directors or officers adopted, terminated or modified any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

**Item 6. Exhibits**

- 3.1<sup>(a)</sup> [Equity LifeStyle Properties, Inc. Fourth Amended and Restated Bylaws, effective as of July 25, 2023](#)
- 31.1 [Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.](#)
- 32.2 [Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.](#)
- 101.INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 104 Cover Page Interactive Data File included as Exhibit 101 (embedded within the Inline XBRL document)

The following documents are incorporated by reference.

- (a) Included as an exhibit to our Report on Form 8-K dated July 28, 2023

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.**

Date: January 22, 2024

By: /s/ Marguerite Nader  
Marguerite Nader  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: January 22, 2024

By: /s/ Paul Seavey  
Paul Seavey  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

Date: January 22, 2024

By: /s/ Valerie Henry  
Valerie Henry  
Senior Vice President and Chief Accounting Officer  
(Principal Accounting Officer)

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

I, Paul Seavey certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Equity LifeStyle Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 22, 2024

By: /s/ Paul Seavey

Paul Seavey

Executive Vice President and Chief Financial Officer



**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the accompanying Quarterly Report on Form 10-Q/A of Equity LifeStyle Properties, Inc. for the quarter ended September 30, 2023 (the "Form 10-Q/A"), I, Paul Seavey, Executive Vice President and Chief Financial Officer of Equity LifeStyle Properties, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Form 10-Q/A fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Form 10-Q/A fairly presents, in all material respects, the financial condition and results of operations of Equity LifeStyle Properties, Inc.

Date: January 22, 2024

By: /s/ Paul Seavey  
Paul Seavey  
Executive Vice President and Chief Financial Officer

**A signed original of this written statement required by Section 906 has been provided to  
Equity LifeStyle Properties, Inc. and will be retained by Equity LifeStyle Properties, Inc. and furnished to the Securities and Exchange Commission or  
its staff  
upon request.**

