

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14D-1/A-1  
Tender Offer Statement Pursuant to Section 14(d)(1)  
of the Securities Exchange Act of 1934  
(Amendment No. 1)

CHATEAU PROPERTIES, INC.  
(Name of Subject Company)

MHC OPERATING LIMITED PARTNERSHIP  
MANUFACTURED HOME COMMUNITIES, INC.  
(Bidder)

Common Stock  
(Title of Class of Securities)

161739 10  
(CUSIP Number of Class of Securities)

Ellen Kelleher  
Senior Vice President and General Counsel  
Manufactured Home Communities, Inc.  
Suite 800  
Two North Riverside Plaza  
Chicago, Illinois 60606  
(312) 474-1122  
(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications on Behalf of Bidder)

with a copy to:

Edward J. Schneidman  
Edward S. Best  
Mayer, Brown & Platt  
190 South LaSalle Street  
Chicago, Illinois 60603  
(312) 782-0600

1. Name of Reporting Person: MHC Operating Limited Partnership  
Manufactured Home Communities, Inc.  
S.S. or I.R.S. Identification No. of Above Persons: 36-3853565  
36-3857664

2. Check the Appropriate Box if a Member of a Group: (a) /X/  
(b) / /

3. SEC Use Only:

4. Sources of Funds: BK

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items  
2(e) or 2(f): / /

6. Citizenship or Place of Organization: Illinois  
Maryland

7. Aggregate Amount Beneficially Owned by Each Reporting Person: 127,010

8. Check if the Aggregate in Row (7) Excludes Certain Shares: / /

9. Percent of Class Represented by Amount in Row (7): 2%

10. Type of Reporting Person: PN  
CO

This Statement constitutes Amendment No. 1 to the Tender Offer Statement on Schedule 14D-1 originally filed on September 4, 1996 by MHC Operating Limited Partnership, an Illinois limited partnership ("Purchaser"), the sole general partner of which is Manufactured Home Communities, Inc., a Maryland corporation ("MHC"), and MHC, relating to the offer by Purchaser to purchase all outstanding shares of common stock, \$.01 par value per share (the "Shares"), of Chateau Properties, Inc., a Maryland corporation (the "Company"), at a price of \$26.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 4, 1996 (the "Offer to Purchase") and in the related Letter of Transmittal. Capitalized terms not defined herein shall have the meanings assigned thereto in the Offer to Purchase.

1. Item 10 is hereby amended to add the following:

ITEM 10. ADDITIONAL INFORMATION.

(e) On September 17, 1996, the Company filed suit in the United States District Court for the District of Maryland against Purchaser and MHC. In its complaint, the Company alleged that (i) the Offer is in violation of certain federal securities laws and (ii) MHC began a proxy solicitation in violation of certain federal securities laws, and seeks injunctive relief and unspecified monetary damages. In addition, the complaint seeks a declaratory judgment that (i) the purchase of Shares will constitute Excess Shares pursuant to Article VI of the Company's Articles, (ii) the Proposed Merger discussed in the Offer to Purchase would be subject to the restrictions contained in the Maryland Business Combination Law, and (iii) the Company's Board of Directors does not have to exempt the purchase of Shares from the Ownership Limit or from the Maryland Business Combination Law.

Purchaser and MHC believe that they have taken no action in violation of federal securities laws, that the Excess Share provisions do not apply to Shares purchased in the Offer, and that the fiduciary duties of the Company's Board of Directors require the Board of Directors to exempt the Offer and the Proposed Merger from the Maryland Business Combination Law. To that end, Purchaser and MHC intend to vigorously contest these allegations and the requested relief and further intend to take such actions as they deem necessary to consummate the Offer and the Proposed Merger. As of the date of this Amendment No. 1, neither Purchaser nor MHC have been served in this proceeding.

On September 12, 1996, a class action lawsuit was filed in the Circuit Court for Montgomery County, Maryland by Harbor Finance Partners, a shareholder of the Company, against the Company and its directors. The complaint alleges, among other things, that the Company's directors are acting "in total disregard" of their fiduciary duties to shareholders by agreeing to a business combination with ROC in the face of a "higher-priced more beneficial" transaction with Purchaser and, more particularly, that "Boll, who owns or controls 59% of the Company, will be able to avoid significant tax payments associated with an all-cash transaction." The complaint seeks, among other things, injunctive relief and unspecified monetary damages. Harbor Finance Partners is not related or affiliated with Purchaser or MHC.

(f) On September 19, 1996, MHC issued a press release stating:

Reinforces Superior Qualities of All-Cash, \$26 Per Share Tender Offer

CHICAGO, IL - SEPTEMBER 19, 1996 -- Samuel Zell, Chairman of Manufactured Home Communities, Inc. (NYSE:MHC), issued the following statement in response to the announcement made by Chateau Properties, Inc. (NYSE:CPJ) regarding its revised merger agreement with ROC Communities, Inc. (NYSE:RCI):

"MHC firmly believes its proposal provides Chateau shareholders the greatest value in all measurable criteria:

- Our all-cash offer of \$26 per share remains superior to the stock merger announced by Chateau and ROC;
- Our cash offer is not subject to financing contingencies; and
- The combination of MHC and Chateau would be the dominant company in the manufactured home industry, with the highest quality portfolio, strongest balance sheet, and unparalleled access to capital."

Mr. Zell added, "The revised Chateau and ROC transaction raises a number of troubling issues about the fiduciary responsibilities of Chateau's management and board of directors as well as tax liabilities transferred from Operating Unit holders to Chateau and ROC common shareholders."

With regard to Chateau's lawsuit filed against MHC, Mr. Zell said, "We believe Chateau's lawsuit has no merit. Since MHC's ownership of any amount of Chateau shares would not violate any REIT tax provisions, we are fully prepared to vigorously defend our ability to purchase the shares."

Mr. Zell added, "We still intend to see that Chateau shareholders get the best price for their shares. We have not wavered in our commitment to consummate our offer and remain prepared to act immediately to see this deal through."

MHC owns or has controlling interest in 67 quality manufactured housing communities across the country. Its portfolio consists of 26,820 sites in 19 states. MHC is a self-administered and self-managed real estate investment trust (REIT), with headquarters in Chicago.

2. Item 11 is hereby amended to add the following:

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

- (a)(7) Form of Summary Advertisement.
- (a)(9) Text of Press Release, dated September 19, 1996, issued by Manufactured Home Communities, Inc.
- (c) Engagement Letter dated August 16, 1996 between Manufactured Home Communities, Inc. and J.P. Morgan Securities, Inc.

SIGNATURES

After due inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

Dated: September 19, 1996

MHC OPERATING LIMITED PARTNERSHIP

By: Manufactured Home Communities, Inc.,  
its General Partner

By: /s/ DAVID A. HELFAND  
Name: David A. Helfand  
Title: President and Chief  
Executive Officer

MANUFACTURED HOME COMMUNITIES, INC.

By: /s/ DAVID A. HELFAND  
Name: David A. Helfand  
Title: President and Chief  
Executive Officer

EXHIBIT INDEX

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Manufactured Home Communities, Inc. and J.P. Morgan Securities, Inc.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made solely by the Offer to Purchase dated September 4, 1996 and the related Letter of Transmittal, and is being made to all holders of Shares, except in any jurisdiction where the making of such Offer would be illegal. The Purchaser is not aware of any State in which the making of the Offer is prohibited by administrative or judicial action pursuant to a state statute. If the Purchaser becomes aware of any State where the making of the Offer is so prohibited, the Purchaser will make a good faith effort to comply with any such statute or seek to have such statute declared inapplicable to the Offer. If, after such good faith effort, the Purchaser cannot comply with any applicable statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) holders of Shares in such State. In any jurisdictions, the securities laws or blue sky laws of which require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Purchaser, if at all, by J.P. Morgan Securities Inc., as Dealer Manager, or one or more registered brokers or dealers that are licensed under the laws of, and represent the stockholders residing in, such jurisdiction.

Notice of Offer to Purchase for Cash  
All Outstanding Shares of Common Stock  
of  
Chateau Properties, Inc.  
at  
\$26.00 Net Per Share  
by  
MHC Operating Limited Partnership,  
the Sole General Partner of which is  
Manufactured Home Communities, Inc.

MHC Operating Limited Partnership, a limited partnership formed under the laws of the State of Illinois (the "Purchaser"), the sole general partner of which is Manufactured Home Communities, Inc., a corporation formed under the laws of the State of Maryland ("MHC"), is offering to purchase any and all shares of common stock, par value \$.01 per share (the "Shares"), of Chateau Properties, Inc., a corporation formed under the laws of the State of Maryland (the "Company"), at \$26.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase dated September 4, 1996 (the "Offer to Purchase") and in the related Letter of Transmittal (which, together, constitute the "Offer").

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON TUESDAY, OCTOBER 1, 1996, UNLESS THE OFFER IS EXTENDED.

The Offer is conditioned upon, among other things, (1) there being validly tendered and not withdrawn prior to the Expiration Date that number of Shares which, together with Shares beneficially owned by the Purchaser, constitutes at least two-thirds of the Shares outstanding on the Expiration Date, (2) the Purchaser being satisfied, in its sole judgment, that after consummation of the Offer the restrictions contained in the Maryland Business Combination Law will not apply to the Proposed Merger (as defined below), and (3) the Purchaser being satisfied, in its sole judgment, that after consummation of the Offer, none of the Shares acquired by the Purchaser shall be deemed "Excess Stock" as defined in the Company's Articles of Amendment and Restatement. See "The Tender Offer -- Introduction" and "--12. Certain Conditions of the Offer" in the Offer to Purchase.

The purpose of the Offer is to acquire control of, and the entire equity interest in, the Company. MHC currently intends, as soon as practicable after and substantially concurrently with, the consummation of the Offer, to propose and seek to have the Company consummate a merger or similar business combination (the "Proposed Merger") with MHC or a direct or indirect wholly owned subsidiary of MHC, pursuant to which each outstanding Share (other than Shares owned by the Purchaser, MHC, or any of their affiliates and Shares held by stockholders who perfect any available appraisal rights under Maryland law) would be converted into the right to receive an amount in cash equal to the price per Share paid pursuant to the Offer.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not validly withdrawn, as, if and when the Purchaser gives oral or written notice to ChaseMellon Shareholder Services L.L.C. (the "Depository") of the Purchaser's acceptance of such Shares for payment pursuant to the Offer. In all cases, upon the terms and

subject to the conditions of the Offer, payment for Shares purchased pursuant to the Offer will be made by deposit of the purchase price therefor with the Depository, which will act as agent for tendering stockholders for the purpose of receiving payments from the Purchaser and transmitting such payments to validly tendering stockholders. Under no circumstances will interest on the purchase price for Shares be paid by the Purchaser by reason of any delay in making such payment. In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of (1) certificates representing such Shares ("Share Certificates") or timely confirmation of the book-entry transfer of such Shares into the Depository's account at The Depository Trust Company, or the Philadelphia Depository Trust Company (collectively, the "Book-Entry Transfer Facilities"), pursuant to the procedures set forth in "The Tender Offer--Section 3. Procedure for Tendering Shares" in the Offer to Purchase, (2) the Letter of Transmittal (or a facsimile thereof) properly completed and duly executed with any required signature guarantees (or, alternatively, an Agent's Message, as set forth in the Offer to Purchase), and (3) any other documents required by the Letter of Transmittal.

The term "Expiration Date" means 12:00 Midnight, New York City time, on Tuesday, October 1, 1996, unless and until the Purchaser, in its sole judgment, shall have extended the period of time for which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire. The Purchaser expressly reserves the right, in its sole judgment, at any time and from time to time, to extend the period during which the Offer is open for any reason, including the non-satisfaction of any of the conditions specified in the Offer to Purchase, by giving oral or written notice of such extension to the Depository, followed as promptly as practicable by public announcement no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of tendering stockholders to withdraw such stockholders' Shares.

The Purchaser's acceptance for payment of Shares tendered pursuant to any one of the procedures described in the Offer to Purchase and in the Letter of Transmittal will constitute a binding agreement between the tendering stockholder and the Purchaser upon the terms and subject to the conditions of the Offer. Except as otherwise provided in "The Tender Offer--Section 4. Withdrawal Rights" in the Offer to Purchase, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time on or prior to the Expiration Date and, unless theretofore accepted for payment as provided herein, may also be withdrawn at any time after November 4, 1996. For a withdrawal to be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depository at its address set forth on the back cover of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn and, if Share Certificates have been tendered, the name of the registered holder of the Shares as set forth in the Share Certificate, if different from that of the person who tendered such Shares. If Share Certificates have been delivered or otherwise identified to the Depository, then prior to the physical release of such certificates, the tendering stockholder must submit the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in the Offer to Purchase), except in the case of Shares tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in "The Tender Offer--Section 3. Procedure for Tendering Shares" in the Offer to Purchase, the notice of withdrawal must specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Shares, in which case a notice of withdrawal will be effective if a written or facsimile transmission notice of withdrawal is timely received by the Depository at its address set forth on the back cover of the Offer to Purchase. Withdrawals of Shares may not be rescinded. Any Shares properly withdrawn will be deemed not validly tendered for purposes of the Offer, but may be retendered at any subsequent time prior to the Expiration Date by following any of the procedures described in "The Tender Offer--Section 3. Procedure for Tendering Shares" in the Offer to Purchase. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Purchaser, in its sole discretion and whose determination will be final and binding.

The information required to be disclosed by Rule 14d-6(e)(1)(vii) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference. A request is being made to the Company for use of the Company's stockholder list and security position listings for the purpose of disseminating the Offer to stockholders. Upon compliance by the Company with such request or the election by the Company to disseminate the Offer in lieu of complying with the request, the Offer to Purchase and the related Letter of Transmittal and, if required, other relevant materials will be mailed to stockholders whose names appear on the Company's stockholder list and will be furnished for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security listing.

STOCKHOLDERS ARE URGED TO READ THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CAREFULLY BEFORE DECIDING WHETHER TO TENDER THEIR SHARES.

Questions and requests for assistance may be directed to the Information Agent or the Dealer Manager at the addresses and telephone numbers set forth below. Requests for copies of the Offer to Purchase and the related Letter of Transmittal and other Offer materials may be directed to the Information Agent or the Dealer Manager or brokers, dealers, commercial banks and trust companies and such materials will be furnished promptly at the Purchaser's expense. The Purchaser will not pay any fees or commissions to brokers, dealers, or other persons (other than the Information Agent and the Dealer Manager) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

[MacKenzie Logo]  
156 Fifth Avenue  
New York, New York 10010  
1-800-322-2885 (toll free)  
212-929-5500 (call collect)

The Dealer Manager for the Offer is:

J.P. Morgan & Co.  
60 Wall Street  
Mail Stop 2860  
New York, New York 10260  
1-888-445-1926 (toll free)

September 4, 1996



MHC RESPONDS TO  
CHATEAU/ROC ANNOUNCEMENT

Reinforces Superior Qualities of All-Cash,  
\$26 Per Share Tender Offer

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August 16, 1996

Manufactured Home Communities, Inc.  
Two North Riverside Plaza  
Suite 800  
Chicago, Illinois 60606

Attention: David A. Helfand  
President

Dear David:

This letter agreement (the "Agreement") confirms that Manufactured Home Communities, Inc. (together with its subsidiaries and affiliates, the "Company") has engaged J.P. Morgan Securities Inc. ("J.P. Morgan") to act as the Company's exclusive third-party financial advisor with respect to the Company's possible acquisition of, or merger with, Chateau Properties, Inc. (the "Target") in one or a series of transactions, by merger, consolidation, or other business combination, or by purchase of all or a portion of the stock, assets, or business of the Target (each, a "Transaction").

As discussed, J.P. Morgan shall undertake certain services on the Company's behalf, including to the extent requested by the Company in each instance: (i) assisting the Company in evaluating the Target, its operations, historical performance, and future prospects, (ii) advising the Company on a proposed purchase price, form of consideration and transaction structure, (iii) assisting the Company in negotiating the financial aspects of any proposed Transaction, and (iv) assisting the Company in implementing a Transaction, including but not limited to acting as exclusive dealer manager for the Company in any tender offer involving any Transaction and arranging the financing required by the Company to consummate any Transaction, subject to entering into a separate written agreement or agreements which shall contain normal and customary provisions (including separate compensation) acceptable to both parties for such instances in which J.P. Morgan acts as dealer manager or arranges financing.

As compensation for the services to be provided by J.P. Morgan hereunder (in addition to the compensation payable under any separate agreement or agreements referred to in clause (iv) above), the Company agrees to pay J.P. Morgan (i) an engagement fee of \$100,000, payable promptly upon execution of this Agreement by the Company, and (ii) if a Transaction is consummated, a success fee as described below (the "Success Fee").

The Success Fee referred to above shall be in the amount of \$2,000,000. Such Success Fee shall be payable with respect to any Transaction in cash solely upon consummation of such Transaction, and in no other event. No fee payable to any other financial advisor by the Company or any other person in connection with the subject matter of this Agreement shall reduce or otherwise affect any fee payable to J.P. Morgan hereunder.

For purposes of this Agreement, a Transaction shall be deemed to have been consummated upon (i) the acquisition by the Company of at least 66.67% of the outstanding common stock of, or voting power in, the Target, with the right to elect a majority of the directors of the Target, or (ii) a merger or consolidation of the Target with the Company. In the event the Company consummates a Transaction that does not meet the criteria set forth in clauses (i) or (ii), the Company and J.P. Morgan will negotiate in good faith appropriate compensation for J.P. Morgan in an amount to be mutually agreed upon, which will take into account, among other things, the results obtained and the custom and practice among investment bankers acting in similar transactions.

The Company agrees to provide to J.P. Morgan all financial and other information in the possession of the Company regarding the Company or the Target reasonably requested by it for the purpose of its assignment hereunder. The Company agrees and represents that historical information furnished by the Company to J.P. Morgan pursuant to this Agreement shall, to the best of the Company's knowledge, be accurate and complete in all material respects at the time provided, and that if such information becomes known to the Company to be materially inaccurate, incomplete, or misleading during the term of J.P. Morgan's engagement hereunder, the Company shall notify J.P. Morgan in writing. In performing its services hereunder, J.P. Morgan shall be entitled to reasonably rely upon and assume, without assuming any responsibility for independent verification, the accuracy and completeness of all information that is publicly

available and of all information that has been furnished to it by the Company or otherwise reviewed by J.P. Morgan, and J.P. Morgan shall not assume any responsibility or have any liability therefor. Schedule II attached hereto sets forth J.P. Morgan's confidentiality obligations regarding such information. J.P. Morgan shall have no obligation to conduct any valuation or appraisal of any assets or liabilities. For the execution of its assignment, J.P. Morgan shall establish a team of qualified individuals from appropriate specialty areas within J.P. Morgan & Co. Incorporated and its subsidiaries.

Any financial advice rendered by J.P. Morgan pursuant to this Agreement is intended solely for the benefit and use of management and the Board of Directors of the Company in considering the matters to which this Agreement relates, is not on behalf of, and shall not confer rights or remedies upon, any person other than management and the Board of Directors of the Company, and may not be used or relied upon for any other purpose. No such financial advice may be disclosed publicly in any manner without J.P. Morgan's prior written approval (not to be unreasonably withheld) and all such advice will be treated by the Company as confidential.

In order to coordinate the parties' efforts with respect to possible Transactions, during the period of J.P. Morgan's engagement hereunder neither the Company nor any representative thereof (other than J.P. Morgan) will initiate discussions with the Target or any representative thereof regarding a Transaction except in consultation with J.P. Morgan. If the Company or its management receives an inquiry from the Target or any representative thereof regarding a Transaction, it will promptly advise J.P. Morgan of such inquiry in order that J.P. Morgan may evaluate the person making such inquiry and its interest and assist the Company in any resulting negotiations.

The Company agrees to reimburse J.P. Morgan promptly upon request and submission of adequate documentation from time to time (but not more often than monthly) for all reasonable expenses (including, without limitation, reasonable travel, communication, and document production expenses, and the reasonable fees and disbursements of outside counsel) incurred and paid by J.P. Morgan in performing its engagement hereunder, whether or not a Transaction is consummated; provided, that the Company's obligation to reimburse J.P. Morgan for the reasonable fees and disbursements of outside counsel requires the prior approval of the Company (except that such prior approval shall not be required in connection with reasonable fees and disbursements of outside counsel incurred pursuant to Schedule I attached hereto). The Company also agrees to indemnify J.P. Morgan and certain other entities and persons as set forth on Schedule I attached hereto.

This Agreement may be terminated by either the Company or J.P. Morgan at any time upon giving written notice to the other party. No such termination will affect (i) J.P. Morgan's rights to receive fees accrued prior to such termination or to receive reimbursement of its expenses incurred prior to such termination as set forth above, (ii) the rights of J.P. Morgan or any other Indemnified Person (as defined in Schedule I hereto) to receive indemnification and contribution, or (iii) the Company's or J.P. Morgan's confidentiality obligations hereunder. In addition, if at any time prior to the expiration of 12 months after any such termination by the Company (but not after any such termination by J.P. Morgan) a Transaction is consummated, J.P. Morgan will be entitled to payment in full of the Success Fee.

It is understood that if the Company completes a transaction with the Target in lieu of any Transaction for which J.P. Morgan is entitled to compensation pursuant to this Agreement at any time prior to the expiration of 12 months after termination of this Agreement by the Company (but not after any such termination by J.P. Morgan), J.P. Morgan and the Company will negotiate in good faith appropriate compensation for J.P. Morgan in an amount to be mutually agreed upon, which will take into account, among other things, the results obtained and the custom and price among investment bankers acting in similar transactions.

J.P. Morgan acknowledges and agrees that during the period of its engagement hereunder, it will work to serve the Company's best interests, and it will not take any actions or make any statements in respect of or to third parties in connection with its engagement hereunder except upon the specific express direction of the Company. J.P. Morgan further acknowledges and agrees that the price and terms of any definitive agreement regarding a Transaction shall be determined by the Company in its sole and absolute discretion.

This Agreement (including Schedule I hereto) and any claims related

directly or indirectly to this Agreement shall be governed by New York law. No proceeding related directly or indirectly to this Agreement shall be commenced, prosecuted, or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York. Each of the Company (on the Company's behalf and, to the extent permitted by applicable law, on behalf of the Company's securityholders and creditors) and J.P. Morgan (i) waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue of any such proceeding brought in any such court and any claim that any such proceeding brought in any such court has been brought in an inconvenient forum, and (ii) waives all rights to trial by jury in any proceeding related to or arising out of the engagement of J.P. Morgan pursuant to this Agreement.

Very truly yours,

J.P. MORGAN SECURITIES INC.

By: /s/ Peter E. Baccile

-----  
Name: Peter E. Baccile  
Title: Vice President

Accepted as of the  
date first above written:

MANUFACTURED HOME COMMUNITIES, INC.

By: /s/ David A. Helfand

-----  
Name: David A. Helfand  
Title: President