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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2005

or

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

Commission File Number: 1-11718

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

MARYLAND	36-3857664
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

TWO NORTH RIVERSIDE PLAZA, SUITE 800, CHICAGO, ILLINOIS	60606
(Address of principal executive offices)	(Zip Code)

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

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

Common Stock, $.01 Par Value	New York Stock Exchange
(Title of Class)	(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [X] No [ ]

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non- accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [X]   Accelerated filer [ ]   Non-accelerated filer [ ]

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

The aggregate market value of voting stock held by non-affiliates was approximately $883.2 million as of June 30, 2005 based upon the closing price of $39.76 on such date using beneficial ownership of stock rules adopted pursuant to Section 13 of the Securities Exchange Act of 1934 to exclude voting stock owned by Directors and Officers, some of whom may not be held to be affiliates upon judicial determination.

At February 20, 2006, 23,494,218 shares of the Registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Part III incorporates by reference the Registrant's Proxy Statement relating to the Annual Meeting of Stockholders to be held on May 3, 2006.

EQUITY LIFESTYLE PROPERTIES, INC.

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PART I

ITEM 1. BUSINESS

EQUITY LIFESTYLE PROPERTIES, INC.

GENERAL

Equity LifeStyle Properties, Inc., a Maryland corporation, together with MHC Operating Limited Partnership (the "Operating Partnership") and other consolidated subsidiaries ("Subsidiaries"), is referred to herein as the "Company," "ELS," "we," "us," and "our". The Company is a fully integrated owner and operator of lifestyle oriented properties ("Properties"). The Company leases individual developed areas ("sites") with access to utilities for placement of factory built homes, cottages, cabins or recreational vehicles ("RVs"). The Company was formed to continue the property operations, business objectives and acquisition strategies of an entity that had owned and operated Properties since 1969. As of December 31, 2005, we owned or had an ownership interest in a portfolio of 285 Properties located throughout the United States and Canada containing 106,337 residential sites. These Properties are located in 28 states and British Columbia (with the number of Properties in each state or province shown parenthetically) - Florida (84), California (47), Arizona (35), Texas (16), Washington (13), Colorado (10), Oregon (9), Delaware (7), Indiana (7), Pennsylvania (7), Nevada (6), North Carolina (6), Wisconsin (5), Maine (4), New York (4), Virginia (4), Illinois (3), Michigan (2), New Jersey (2), Ohio (2), South Carolina (2), Tennessee (2), Utah (2), Iowa (1), Massachusetts (1), Montana (1), New Hampshire (1), New Mexico (1), and British Columbia (1).

Properties are designed and improved for several home options of various sizes and designs that are produced off-site, installed and set on designated sites ("Site Set") within the Properties. These homes can range from 400 to over 2,000 square feet. The smallest of these are referred to as "Resort Cottages". Properties may also have sites that can accommodate a variety of RVs. Properties generally contain centralized entrances, internal road systems and designated sites. In addition, Properties often provide a clubhouse for social activities and recreation and other amenities, which may include restaurants, swimming pools, golf courses, lawn bowling, shuffleboard courts, tennis courts, laundry facilities and cable television service. In some cases, utilities are provided or arranged for by us; otherwise, the customer contracts for the utility directly. Some Properties provide water and sewer service through municipal or regulated utilities, while others provide these services to customers from on-site facilities. Properties generally are designed to attract retirees, empty-nesters, vacationers and second home owners; however, certain of the Properties focus on affordable housing for families. We focus on owning properties in or near large metropolitan markets and retirement and vacation destinations.

EMPLOYEES AND ORGANIZATIONAL STRUCTURE

We have approximately 1,500 full-time, part-time and seasonal employees dedicated to carrying out our operating philosophy and strategies of value enhancement and service to our customers. The operations of each Property are coordinated by an on-site team of employees that typically includes a manager, clerical and maintenance workers, each of whom works to provide maintenance and care of the Properties. Direct supervision of on-site management is the responsibility of our regional vice presidents and regional and district managers. These individuals have significant experience in addressing the needs of customers and in finding or creating innovative approaches to maximize value and increase cash flow from property operations. Complementing this field management staff are approximately 80 full-time corporate employees who assist on-site management in all property functions.

FORMATION OF THE COMPANY

We originally incorporated as Manufactured Home Communities, Inc. in Maryland in December 1992 and completed an initial public offering in March 1993. On November 16, 2004, we changed our name to Equity LifeStyle Properties, Inc.

The operations of the Company are conducted primarily through the Operating Partnership. The Company contributed the proceeds from its initial public offering and subsequent offerings to the Operating Partnership for a general partnership interest. In 2004, the general partnership interest was contributed to MHC Trust (see Note 4 of the Notes to Consolidated Financial Statements contained in this Form 10-K). The financial results of the Operating Partnership and the Subsidiaries are consolidated in the Company's consolidated financial statements. In addition, since certain activities, if performed by the Company, may not be qualifying REIT activities under the Internal Revenue Code of 1986, as amended (the "Code"), the Company has formed taxable REIT subsidiaries as defined in the Code to engage in such activities.

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

BUSINESS OBJECTIVES AND OPERATING STRATEGIES

Our strategy seeks to maximize both current income and long-term growth in income. We focus on Properties that have strong cash flow and we expect to hold such Properties for long-term investment and capital appreciation. In determining cash flow potential, we evaluate our ability to attract and retain high quality customers in our Properties who take pride in the Property and in their home. These business objectives and their implementation are determined by our Board of Directors and may be changed at any time. Our investment, operating and financing approach includes:

- Providing consistently high levels of services and amenities in attractive surroundings to foster a strong sense of community and pride of home ownership;

- Efficiently managing the Properties to increase operating margins by controlling expenses, increasing occupancy and maintaining competitive market rents;

- Increasing income and property values by continuing the strategic expansion and, where appropriate, renovation of the Properties;

- Utilizing management information systems to evaluate potential acquisitions, identify and track competing properties and monitor customer satisfaction;

- Selectively acquiring Properties that have potential for long-term cash flow growth and to create property concentrations in and around major metropolitan areas and retirement or vacation destinations to capitalize on operating synergies and incremental efficiencies; and

- Managing our debt balances such that we maintain financial flexibility, minimize exposure to interest rate fluctuations, and maintain an appropriate degree of leverage to maximize return on capital.

Our strategy is to own and operate the highest quality properties in sought-after locations near urban areas, retirement and vacation destinations across the United States. We focus on creating an attractive residential environment by providing a well-maintained, comfortable Property with a variety of organized recreational and social activities and superior amenities as well as offering a multitude of lifestyle housing choices. In addition, we regularly conduct evaluations of the cost of housing in the marketplaces in which our Properties are located and survey rental rates of competing properties. From time to time we also conduct satisfaction surveys of our customers to determine the factors they consider most important in choosing a property.

ACQUISITIONS AND DISPOSITIONS

Over the last decade our portfolio of Properties has grown significantly from owning or having an interest in 65 Properties with over 25,000 sites to owning or having an interest in 285 Properties with over 106,000 sites. We continually review the Properties in our portfolio to ensure that they fit our business objectives. Over the last five years we sold 32 Properties, and we redeployed capital to markets we believe have greater long-term potential. In that same time period we acquired 162 Properties located in high growth areas such as Florida, Arizona and California. We believe that opportunities for property acquisitions are still available. Increasing acceptability of and demand for a lifestyle that includes Site Set homes and RVs as well as continued constraints on development of new properties continue to add to their attractiveness as an investment. We believe we have a competitive advantage in the acquisition of additional properties due to our experienced management, significant presence in major real estate markets and substantial capital resources. We are actively seeking to acquire additional properties and are engaged in various stages of negotiations relating to the possible acquisition of a number of properties.

We anticipate that new acquisitions will generally be located in the United States, although we may consider other geographic locations provided they meet our acquisition criteria. We utilize market information systems to identify and evaluate acquisition opportunities, including a market database to review the primary economic indicators of the various locations in which we expect to expand our operations. Acquisitions will be financed from the most appropriate sources of capital, which may include undistributed funds from operations, issuance of additional equity securities, sales of investments, collateralized and uncollateralized borrowings and issuance of debt securities. In addition, the Operating Partnership may issue units of limited partnership interest ("Units") to finance acquisitions. We believe that an ownership structure that includes the Operating Partnership will permit us to acquire additional properties in transactions that may defer all or a portion of the sellers' tax consequences.

When evaluating potential acquisitions, we consider such factors as:

- The replacement cost of the property including land values, entitlements and zoning,
- The geographic area and type of the property,
- The location, construction quality, condition and design of the property,
- The current and projected cash flow of the property and the ability to increase cash flow,
- The potential for capital appreciation of the property,
- The terms of tenant leases or usage rights, including the potential for rent increases,
- The potential for economic growth and the tax and regulatory environment of the community in which the property is located,
- The potential for expansion of the physical layout of the property and the number of sites,
- The occupancy and demand by customers for properties of a similar type in the vicinity and the customers' profile,
- The prospects for liquidity through sale, financing or refinancing of the property, and
- The competition from existing properties and the potential for the construction of new properties in the area.

When evaluating potential dispositions, we consider such factors as:

- The ability to sell the Property at a price that we believe will provide an appropriate return for our stockholders,
- Our desire to exit certain non-core markets and recycle the capital into core markets, and
- Whether the Property meets our current investment criteria.

When investing capital we consider all potential uses of the capital including returning capital to our stockholders. As a result, during 1999 and 2000 we implemented a stock repurchase program, and our Board of Directors continues to review the conditions under which we will repurchase our stock. These conditions include, but are not limited to, market price, balance sheet flexibility, other opportunities and capital requirements. On January 16, 2004, we paid a special dividend of $8.00 per share using proceeds from a recapitalization (see Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Financing Activities).

PROPERTY EXPANSIONS

Several of our Properties have available land for expanding the number of sites available to be utilized by our customers. Development of these sites ("Expansion Sites") is predicated upon local market conditions and zoning and other applicable laws. When justified, development of Expansion Sites allows us to leverage existing facilities and amenities to increase the income generated from the Properties. Where appropriate, facilities and amenities may be upgraded or added to certain Properties to make those Properties more attractive in their markets. Our acquisition philosophy has included the desire to own Properties with potential Expansion Site development. Approximately 80 of our Properties have expansion potential, including 3,000 acres available for expansion at our Thousand Trails Properties.

LEASES OR USAGE RIGHTS

At our Properties, a typical lease entered into between the owner of a home and the Company for the rental of a site is for a month-to-month or year-to-year term, renewable upon the consent of both parties or, in some instances, as provided by statute. These leases are cancelable, depending on applicable law, for non-payment of rent, violation of Property rules and regulations or other specified defaults. Non-cancelable long-term leases, with remaining terms ranging up to ten years, are in effect at certain sites within 25 of the Properties. Some of these leases are subject to rental rate increases based on the Consumer Price Index ("CPI"), in some instances taking into consideration certain floors and ceilings and allowing for pass-throughs of certain items such as real estate taxes, utility expenses and capital expenditures. Generally, market rate adjustments are made on an annual basis. At resort-oriented Properties, long-term customers typically enter into right to use agreements and many typically prepay for their stay. Many resort customers will also leave deposits to reserve a site for the following year. Generally these customers cannot live full time on the Property.

REGULATIONS AND INSURANCE

General. Our Properties are subject to various laws, ordinances and regulations, including regulations relating to recreational facilities such as swimming pools, clubhouses and other common areas. We believe that each Property has the necessary permits and approvals to operate.

Rent Control Legislation. At certain of our Properties, state and local rent control laws, principally in California, limit our ability to increase rents and to recover increases in operating expenses and the costs of capital improvements. Enactment of such laws has been considered from time to time in other jurisdictions. We presently expect to continue to maintain Properties, and may purchase additional properties, in markets that are either subject to rent control or in which rent-limiting legislation exists or may be enacted. For example, Florida has enacted a law that generally provides that rental increases must be reasonable. Also, certain jurisdictions in California in which we own Properties limit rent increases to changes in the CPI or some percentage thereof. As part of our effort to realize the value of our Properties subject to restrictive regulation, we have initiated lawsuits against several municipalities imposing such regulation in an attempt to balance the interests of our stockholders with the interests of our customers (see Item 3 - Legal Proceedings).

Insurance. We believe that the Properties are covered by adequate fire, flood, property, earthquake and business interruption insurance (where appropriate) provided by reputable companies and with commercially reasonable deductibles and limits. Due to the lack of available commercially reasonable coverage, we are self-insured for terrorism incidents at substantially all of our Properties. We believe our insurance coverage is adequate based on our assessment of the risks to be insured, the probability of loss and the relative cost of available coverage. We have obtained insurance insuring good title to the Properties in an aggregate amount that we believe to be adequate.

Approximately 70 Florida Properties suffered damage from the four hurricanes that struck the state during August and September 2004. As of February 23, 2006, approximately $19.4 million of claims, including business interruption, have been submitted to our insurance companies for reimbursement. As of December 31, 2005, we made total expenditures of approximately $11.9 million and expect to incur additional expenditures to complete the work necessary to restore our Properties to their pre-hurricanes condition. We received proceeds from insurance carriers of approximately $2.6 million as of December 31, 2005. We have reserved approximately $2.0 million related to these expenditures ($0.7 million in 2005 and $1.3 million in 2004). Approximately $3.4 million of these expenditures have been capitalized per our capitalization policy as of December 31, 2005. Approximately $3.9 million is included in other assets as a receivable from insurance providers as of December 31, 2005, and approximately $5.9 million was included in other assets as of December 31, 2004.

In 2005, we reduced the book value of our assets by approximately $1.0 million due to damage caused by the 2004 storms. We received insurance proceeds of approximately $0.8 million relating to other matters. Both of these items were recorded in income from other investments, net.

During the fourth quarter of 2005 we spent approximately $1.3 million on Properties located in South Florida impacted by Hurricane Wilma to get them operationally ready for the season. This amount has been charged to operations in 2005. We are still evaluating the total costs we expect to incur and are preparing our insurance claim.

INDUSTRY

We believe that modern properties similar to ours provide an opportunity for increased cash flows and appreciation in value. These may be achieved through increases in occupancy rates and rents, as well as expense controls, expansion of existing Properties and opportunistic acquisitions, for the following reasons:

- Barriers to Entry: We believe that the supply of new properties in locations targeted by the Company will be constrained due to barriers to entry. The most significant barrier has been the difficulty of securing zoning from local authorities. This has been the result of (i) the public's historically poor perception of manufactured housing, and (ii) the fact that properties generate less tax revenue because the homes are treated as personal property (a benefit to the homeowner) rather than real property. Another factor that creates substantial barriers to entry is the length of time between investment in a property's development and the attainment of stabilized occupancy and the generation of revenues. The initial development of the infrastructure may take up to two or three years. Once a property is ready for occupancy, it may be difficult to attract customers to an empty property. Substantial occupancy levels may take several years to achieve.

- Industry Consolidation: According to various industry reports, there are approximately 65,000 properties in the United States, and approximately 10% or approximately 6,000 of the properties have more than 200 sites and would be considered investment-grade. We believe that this relatively high degree of fragmentation provides us, as a national organization with experienced management and substantial financial resources, the opportunity to purchase additional properties.

- Customer Base: We believe that properties tend to achieve and maintain a stable rate of occupancy due to the following factors: (i) customers typically own their own homes, (ii) properties tend to foster a sense of community as a result of amenities such as clubhouses and recreational and social activities, (iii) since moving a Site Set home from one property to another involves substantial cost and effort, customers often sell their home in-place (similar to site-built residential housing) with no interruption of rental payments to us.

- Lifestyle Choice: According to the Recreational Vehicle Industry Association, nearly 1 in 12 U.S. vehicle-owning households owns an RV. The 80 million people born from 1945 to 1964 or "baby boomers" make up the fastest growing segment of this market. Everyday 11,000 Americans turn 50 according to U.S. Census figures. We believe that this population segment, seeking an active lifestyle, will provide opportunities for future cash flow growth for the Company. Current RV owners, once finished with the more active RV lifestyle, will often seek more permanent retirement or vacation establishments. The Site Set housing choice has become an increasingly popular housing alternative for retirement, second-home, and "empty-nest" living. According to a Fannie Mae survey, the baby-boom generation will constitute 18% of the U.S. population within the next 30 years and more than 32 million people will reach age 55 within the next ten years. Among those individuals who are nearing retirement (age 40 to 54), approximately 33% plan on moving upon retirement.

  We believe that the housing choices in our Properties are especially attractive to such individuals throughout this lifestyle cycle. Our Properties offer an appealing amenity package, close proximity to local services, social activities, low maintenance and a secure environment. In fact, many of our Properties allow for this cycle to occur within a single Property.

- Construction Quality: Since 1976, all factory built housing has been required to meet stringent federal standards, resulting in significant increases in quality. The Department of Housing and Urban Development's ("HUD") standards for Site Set housing construction quality are the only federally regulated standards governing housing quality of any type in the United States. Site Set homes produced since 1976 have received a "red and silver" government seal certifying that they were built in compliance with the federal code. The code regulates Site Set home design and construction, strength and durability, fire resistance and energy efficiency, and the installation and performance of heating, plumbing, air conditioning, thermal and electrical systems. In newer homes, top grade lumber and dry wall materials are common. Also, manufacturers are required to follow the same fire codes as builders of site-built structures. In addition, although Resort Cottages do not come under the same regulation, many of the manufacturers of Site Set homes also produce Resort Cottages with many of the same quality standards.

- Comparability to Site-Built Homes: The Site Set housing industry has experienced a trend towards multi-section homes. Many modern Site Set homes are longer (up to 80 feet, compared to 50 feet in the 1960's) and wider than earlier models. Many such homes have nine-foot ceilings or vaulted ceilings, fireplaces and as many as four bedrooms, and closely resemble single-family ranch style site-built homes.

- Second Home Demographics: According to the 2005 National Association of Realtors ("NAR") report, sales of second homes in 2004 rose 16.3% from 2003 to a total of 2.82 million units. Of the 2.82 million second home units sold in 2004, 1.02 million were vacation home sales, a 19.8% increase from the previous year. There were approximately 6.6 million vacation homes owned in 2003. The typical vacation-home buyer is 55 years old and earned $71,000 in 2003. Approximately 76% of vacation home-owners prefer to be near an ocean, river or lake; 38% close to mountains or other natural attractions, and 37% in a specific vacation area. In looking ahead, NAR believes that baby boomers are still in their peak earning years, and the leading edge of their generation is approaching retirement. As they continue to have the financial wherewithal to purchase second homes as a vacation property, investment opportunity, or perhaps as a retirement retreat, those baby boomers will continue to drive the market for second-homes. It is likely that over the next decade we will continue to see historically high levels of second home sales.

AVAILABLE INFORMATION

We file reports electronically with the Securities and Exchange Commission ("SEC"). The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy information and statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. We maintain an Internet site with information about the Company and hyperlinks to our filings with the SEC at http://www.equitylifestyle.com. Requests for copies of our filings with the SEC and other investor inquiries should be directed to:

Investor Relations Department
Equity LifeStyle Properties, Inc.
Two North Riverside Plaza
Chicago, Illinois 60606
Phone: 1-800-247-5279
e-mail: investor_relations@mhchomes.com

ITEM 1A. RISK FACTORS

OUR PERFORMANCE AND COMMON STOCK VALUE ARE SUBJECT TO RISKS ASSOCIATED WITH THE REAL ESTATE INDUSTRY.

Adverse Economic Conditions and Other Factors Could Adversely Affect the Value of Our Properties and Our Cash Flow. Several factors may adversely affect the economic performance and value of our Properties. These factors include:

- changes in the national, regional and local economic climate;

- local conditions such as an oversupply of lifestyle-oriented properties or a reduction in demand for lifestyle-oriented properties in the area, the attractiveness of our Properties to customers, competition from manufactured home communities and other lifestyle-oriented properties and alternative forms of housing (such as apartment buildings and site-built single family homes);

- our ability to collect rent from customers and pay maintenance, insurance and other operating costs (including real estate taxes), which could increase over time;

- the failure of our assets to generate income sufficient to pay our expenses, service our debt and maintain our Properties, which may adversely affect our ability to make expected distributions to our stockholders;

- our inability to meet mortgage payments on any Property that is mortgaged, in which case the lender could foreclose on the mortgage and take the Property;

- interest rate levels and the availability of financing, which may adversely affect our financial condition; and

- changes in laws and governmental regulations (including rent control laws and regulations governing usage, zoning and taxes), which may adversely affect our financial condition.

New Acquisitions May Fail to Perform as Expected and Competition for Acquisitions May Result in Increased Prices for Properties. We intend to continue to acquire properties. Newly acquired properties may fail to perform as expected. We may underestimate the costs necessary to bring an acquired property up to standards established for its intended market position. Difficulties in integrating acquisitions may prove costly or time-consuming and could divert management attention. Additionally, we expect that other real estate investors with significant capital will compete with us for attractive investment opportunities. These competitors include publicly traded REITs, private REITs and other types of investors. Such competition increases prices for properties. We expect to acquire properties with cash from secured or unsecured financings, proceeds from offerings of equity or debt, undistributed funds from operations and sales of investments. We may not be in a position or have the opportunity in the future to make suitable property acquisitions on favorable terms.

Because Real Estate Investments Are Illiquid, We May Not be Able to Sell Properties When Appropriate. Real estate investments generally cannot be sold quickly. We may not be able to vary our portfolio promptly in response to economic or other conditions, forcing us to accept lower than market value. This inability to respond promptly to changes in the performance of our investments could adversely affect our financial condition and ability to service debt and make distributions to our stockholders.

Some Potential Losses Are Not Covered by Insurance. We carry comprehensive liability, fire, extended coverage and rental loss insurance on all of our Properties. We believe the policy specifications and insured limits of these policies are adequate and appropriate. There are, however, certain types of losses, such as lease and other contract claims, that generally are not insured. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in a Property, as well as the anticipated future revenue from the Property. In such an event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the Property.

DEBT FINANCING, FINANCIAL COVENANTS AND DEGREE OF LEVERAGE COULD ADVERSELY AFFECT OUR ECONOMIC PERFORMANCE.

Scheduled Debt Payments Could Adversely Affect Our Financial Condition. Our business is subject to risks normally associated with debt financing. The total principal amount of our outstanding indebtedness was approximately $1.6 billion as of December 31, 2005. Our substantial indebtedness and the cash flow associated with serving our indebtedness could have important consequences, including the risks that:

- our cash flow could be insufficient to pay distributions at expected levels and meet required payments of principal and interest;

- we will be required to use a substantial portion of our cash flow from operations to pay our indebtedness, thereby reducing the availability of our cash flow to fund the implementation of our business strategy, acquisitions, capital expenditures and other general corporate purposes;

- our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- we may not be able to refinance existing indebtedness (which in virtually all cases requires substantial principal payments at maturity) and, if we can, the terms of such refinancing might not be as favorable as the terms of existing indebtedness;

- if principal payments due at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, our cash flow will not be sufficient in all years to repay all maturing debt; and

- if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial real estate loans) result in higher interest rates, increased interest expense would adversely affect cash flow and our ability to service debt and make distributions to stockholders.

Financial Covenants Could Adversely Affect Our Financial Condition. If a Property is mortgaged to secure payment of indebtedness and we are unable to meet mortgage payments, the mortgagee could foreclose on the Property, resulting in loss of income and asset value. The mortgages on our Properties contain customary negative covenants which, among other things, limit our ability, without the prior consent of the lender, to further mortgage the Property and to discontinue insurance coverage. In addition, our credit facilities contain certain customary restrictions, requirements and other limitations on our ability to incur indebtedness, including total debt to assets ratios, debt service coverage ratios and minimum ratios of unencumbered assets to unsecured debt. Foreclosure on mortgaged Properties or an inability to refinance existing indebtedness would likely have a negative impact on our financial condition and results of operations.

Our Degree of Leverage Could Limit Our Ability to Obtain Additional Financing. Our debt to market capitalization ratio (total debt as a percentage of total debt plus the market value of the outstanding common stock and Units held by parties other than the Company) is approximately 56% as of December 31, 2005. The degree of leverage could have important consequences to stockholders, including an adverse effect on our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general corporate purposes, and makes us more vulnerable to a downturn in business or the economy generally.

WE DEPEND ON OUR SUBSIDIARIES' DIVIDENDS AND DISTRIBUTIONS.

Substantially all of our assets are indirectly held through the Operating Partnership. As a result, we have no source of operating cash flow other than from distributions from the Operating Partnership. Our ability to pay dividends to holders of common stock depends on the Operating Partnership's ability first to satisfy its obligations to its creditors and make distributions payable to third party holders of its preferred Units and then to make distributions to MHC Trust and common Unit holders. Similarly, MHC Trust must satisfy its obligations to its creditors and preferred shareholders before making common stock distributions to us.

STOCKHOLDERS' ABILITY TO EFFECT CHANGES OF CONTROL OF THE COMPANY IS LIMITED.

Provisions of Our Charter and Bylaws Could Inhibit Changes of Control. Certain provisions of our charter and bylaws may delay or prevent a change of control of the Company or other transactions that could provide our stockholders with a premium over the then-prevailing market price of their common stock or which might otherwise be in the best interest of our stockholders. These include the Ownership Limit described below. Also, any future series of preferred stock may have certain voting provisions that could delay or prevent a change of control or other transaction that might involve a premium price or otherwise be good for our stockholders.

Maryland Law Imposes Certain Limitations on Changes of Control. Certain provisions of Maryland law prohibit "business combinations" (including certain issuances of equity securities) with any person who beneficially owns ten percent or more of the voting power of outstanding common stock, or with an affiliate of the Company who, at any time within the two-year period prior to the date in question, was the owner of ten percent or more of the voting power of the outstanding voting stock (an "Interested Stockholder"), or with an affiliate of an Interested Stockholder. These prohibitions last for five years after the most recent date on which the Interested Stockholder became an Interested Stockholder. After the five-year period, a business combination with an Interested Stockholder must be approved by two super-majority stockholder votes unless, among other conditions, our common stockholders receive a minimum price for their shares and the consideration is received in cash or in the same form as previously paid by the Interested Stockholder for its shares of common stock. The Board of Directors has exempted from these provisions under the Maryland law any business combination with Samuel Zell, who is the Chairman of the Board of the Company, certain holders of Units who received them at the time of our initial public offering, the General Motors Hourly Rate Employees Pension Trust and the General Motors Salaried Employees Pension Trust, and our officers who acquired common stock at the time we were formed and each and every affiliate of theirs.

We Have a Stock Ownership Limit for REIT Tax Purposes. To remain qualified as a REIT for U.S. federal income tax purposes, not more than 50% in value of our outstanding shares of capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the federal income tax laws applicable to REITs) at any time during the last half of any taxable year. To facilitate maintenance of our REIT qualification, our charter, subject to certain exceptions, prohibits Beneficial Ownership (as defined in our charter) by any single stockholder of more than 5% (in value or number of shares, whichever is more restrictive) of our outstanding capital stock. We refer to this as the "Ownership Limit." Within certain limits, our charter permits the Board of Directors to increase the Ownership Limit with respect to any class or series of stock. The Board of Directors, upon receipt of a ruling from the IRS, opinion of counsel, or other evidence satisfactory to the Board of Directors and upon fifteen days prior written notice of a proposed transfer which, if consummated, would result in the transferee owning shares in excess of the Ownership Limit, and upon such other conditions as the Board of Directors may direct, may exempt a stockholder from the Ownership Limit. Absent any such exemption, capital stock acquired or held in violation of the Ownership Limit will be transferred by operation of law to us as trustee for the benefit of the person to whom such capital stock is ultimately transferred, and the stockholder's rights to distributions and to vote would terminate. Such stockholder would be entitled to receive, from the proceeds of any subsequent sale of the capital stock transferred to us as trustee, the lesser of (i) the price paid for the capital stock or, if the owner did not pay for the capital stock (for example, in the case of a gift, devise of other such transaction), the market price of the capital stock on the date of the event causing the capital stock to be transferred to us as trustee or (ii) the amount realized from such sale. A transfer of capital stock may be void if it causes a person to violate the Ownership Limit. The Ownership Limit could delay or prevent a change in control of the Company and, therefore, could adversely affect our stockholders' ability to realize a premium over the then-prevailing market price for their common stock.

CONFLICTS OF INTEREST COULD INFLUENCE THE COMPANY'S DECISIONS.

Certain Stockholders Could Exercise Influence in a Manner Inconsistent With the Stockholders' Best Interests. As of December 31, 2005, Mr. Zell and certain affiliated holders beneficially owned approximately 14.2% of our outstanding common stock (in each case including common stock issuable upon the exercise of stock options and the exchange of Units). Accordingly, Mr. Zell has significant influence on our management and operation. Such influence could be exercised in a manner that is inconsistent with the interests of other stockholders.

Mr. Zell and His Affiliates Continue to be Involved in Other Investment Activities. Mr. Zell and his affiliates have a broad and varied range of investment interests, including interests in other real estate investment companies involved in other forms of housing, including multifamily housing. Mr. Zell and his affiliates may acquire interests in other companies. Mr. Zell may not be able to control whether any such company competes with the Company. Consequently, Mr. Zell's continued involvement in other investment activities could result in competition to the Company as well as management decisions which might not reflect the interests of our stockholders.

RISK OF EMINENT DOMAIN AND TENANT LITIGATION.

We own Properties in certain areas of the country where real estate values have increased faster than rental rates in our Properties either because of locally imposed rent control or long term leases. In such areas, we have learned that certain local government entities have investigated the possibility of seeking to take our Properties by eminent domain at values below the value of the underlying land. While no such eminent domain proceeding has been commenced, and we would exercise all of our rights in connection with any such proceeding, successful condemnation proceedings by municipalities could adversely affect our financial condition. Moreover, certain of our Properties located in California are subject to rent control ordinances, some of which not only severely restrict ongoing rent increases but also prohibit us from increasing rents upon turnover. Such regulation allows customers to sell their homes for a premium representing the value of the future discounted rent-controlled rents. As part of our effort to realize the value of our Properties subject to rent control, we have initiated lawsuits against several municipalities in California. In response to our efforts, tenant groups have filed lawsuits against us seeking not only to limit rent increases, but to be awarded large damage awards. If we are unsuccessful in our efforts to challenge rent control ordinances, it is likely that we will not be able to charge rents that reflect the intrinsic value of the affected Properties. Finally, tenant groups in non-rent controlled markets have also attempted to use litigation as a means of protecting themselves from rent increases reflecting the rental value of the affected Properties. An unfavorable outcome in the tenant group lawsuits could have an adverse impact on our financial condition.

ENVIRONMENTAL PROBLEMS ARE POSSIBLE AND CAN BE COSTLY.

Federal, state and local laws and regulations relating to the protection of the environment may require a current or previous owner or operator of real estate to investigate and clean up hazardous or toxic substances or petroleum product releases at such property. The owner or operator may have to pay a governmental entity or third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with the contamination. Such laws typically impose clean-up responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages and costs resulting from environmental contamination emanating from that site.

Environmental laws also govern the presence, maintenance and removal of asbestos. Such laws require that owners or operators of property containing asbestos properly manage and maintain the asbestos, that they notify and train those who may come into contact with asbestos and that they undertake special precautions, including removal or other abatement, if asbestos would be disturbed during renovation or demolition of a building. Such laws may impose fines and penalties on real property owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos fibers.

WE HAVE A SIGNIFICANT CONCENTRATION OF PROPERTIES IN FLORIDA AND CALIFORNIA, AND NATURAL DISASTERS OR OTHER CATASTROPHIC EVENTS IN THESE OR OTHER STATES COULD ADVERSELY AFFECT THE VALUE OF OUR PROPERTIES AND OUR CASH FLOW.

As of December 31, 2005, we owned or had an ownership interest in 285 Properties located in 28 states and British Columbia, including 84 Properties located in Florida and 47 Properties located in California. The occurrence of a natural disaster or other catastrophic event in any of these areas may cause a sudden decrease in the value of our Properties. While we have obtained insurance policies providing certain coverage against damage from fire, flood, property damage, earthquake, wind storm and business interruption, these insurance policies contain coverage limits, limits on covered property and various deductible amounts that the Company must pay before insurance proceeds are available. Such insurance may therefore be insufficient to restore our economic position with respect to damage or destruction to our Properties caused by such occurrences. Moreover, each of these coverages must be renewed every year and there is the possibility that all or some of the coverages may not be available at a reasonable cost. In addition, in the event of such natural disaster or other catastrophic event, the process of obtaining reimbursement for covered losses, including the lag between expenditures incurred by us and reimbursements received from the insurance providers, could adversely affect our economic performance.

MARKET INTEREST RATES MAY HAVE AN EFFECT ON THE VALUE OF OUR COMMON STOCK.

One of the factors that investors consider important in deciding whether to buy or sell shares of a REIT is the distribution rates with respect to such shares (as a percentage of the price of such shares) relative to market interest rates. If market interest rates go up, prospective purchasers of REIT shares may expect a higher distribution rate. Higher interest rates would not, however, result in more funds for us to distribute and, in fact, would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our publicly traded securities to go down.

WE ARE DEPENDENT ON EXTERNAL SOURCES OF CAPITAL.

To qualify as a REIT, we must distribute to our stockholders each year at least 90% of our REIT taxable income (determined without regard to the deduction for dividends paid and excluding any net capital gain). In addition, we intend to distribute all or substantially all of our net income so that we will generally not be subject to U.S. federal income tax on our earnings. Because of these distribution requirements, it is not likely that we will be able to fund all future capital needs, including for acquisitions, from income from operations. We therefore will have to rely on third-party sources of debt and equity capital financing, which may or may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of things, including conditions in the capital markets generally and the market's perception of our growth potential and our current and potential future earnings. Moreover, additional equity offerings may result in substantial dilution of stockholders' interests, and additional debt financing may substantially increase our leverage.

OUR QUALIFICATION AS A REIT IS DEPENDENT ON COMPLIANCE WITH U.S. FEDERAL INCOME TAX REQUIREMENTS.

We believe we have been organized and operated in a manner so as to qualify for taxation as a REIT, and we intend to continue to operate so as to qualify as a REIT for U.S. federal income tax purposes. Qualification as a REIT for U.S. federal income tax purposes, however, is governed by highly technical and complex provisions of the Code for which there are only limited judicial or administrative interpretations. Our qualification as a REIT requires analysis of various facts and circumstances that may not be entirely within our control, and we cannot provide any assurance that the Internal Revenue

Service (the "IRS") will agree with our analysis. These matters can affect our qualification as a REIT. In addition, legislation, new regulations, administrative interpretations or court decisions might significantly change the tax laws with respect to the requirements for qualification as a REIT or the U.S. federal income tax consequences of qualification as a REIT.

If, with respect to any taxable year, we fail to maintain our qualification as a REIT (and specified relief provisions under the Code were not applicable to such disqualification), we could not deduct distributions to stockholders in computing our net taxable income and we would be subject to U.S. federal income tax on our net taxable income at regular corporate rates. Any U.S. federal income tax payable could include applicable alternative minimum tax. If we had to pay U.S. federal income tax, the amount of money available to distribute to stockholders and pay indebtedness would be reduced for the year or years involved, and we would no longer be required to distribute money to stockholders. In addition, we would also be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost, unless we were entitled to relief under the relevant statutory provisions. Although we currently intend to operate in a manner designed to allow us to qualify as a REIT, future economic, market, legal, tax or other considerations may cause us to revoke the REIT election.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

GENERAL

Our Properties provide attractive amenities and common facilities that create a comfortable and attractive home for our customers, with most offering a clubhouse, a swimming pool, laundry facilities and cable television service. Many also offer additional amenities such as sauna/whirlpool spas, golf courses, tennis, shuffleboard and basketball courts, exercise rooms and various social activities such as concerts. Since most of our customers generally rent our sites on a long-term basis, it is their responsibility to maintain their homes and the surrounding area. It is our role to ensure that customers comply with our Property policies and to provide maintenance of the common areas, facilities and amenities. We hold periodic meetings with our Property management personnel for training and implementation of our strategies. The Properties historically have had, and we believe they will continue to have, low turnover and high occupancy rates.

PROPERTY PORTFOLIO

As of December 31, 2005, we owned or had an ownership interest in a portfolio of 285 Properties located throughout the United States and British Columbia containing 106,337 residential sites.

The distribution of our Properties throughout the United States reflects our belief that geographic diversification helps insulate the portfolio from regional economic influences. We intend to target new acquisitions in or near markets where our Properties are located and will also consider acquisitions of Properties outside such markets. Refer to Note 2(c) of the Notes to Consolidated Financial Statements contained in this Form 10-K.

Bay Indies located in Venice, Florida and Westwinds located in San Jose, California each accounted for approximately 2.6% and 2.3% of our total property operating revenues respectively for the year ended December 31, 2005.

The following table sets forth certain information relating to the Properties we owned as of December 31, 2005, categorized by our major markets (excluding the Thousand Trails Properties and Properties owned through joint ventures).

PROPERTY	LOCATION CITY, STATE		TOTAL NUMBER OF SITES AS OF 12/31/05	TOTAL NUMBER OF ANNUAL SITES 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/04	ANNUAL RENT AS OF 12/31/05	ANNUAL RENT AS OF 12/31/04
				FLORIDA				
EAST COAST:								
Sunshine Key	Big Pine Key	FL	409	--	--	--	--	--
Carriage Cove	Daytona Beach	FL	418	418	92.1%	92.8%	$4,949	$4,824
Bulow Plantation	Flagler Beach	FL	276	276	97.8% (b)	97.8% (b)	$4,330	$4,200
Bulow RV	Flagler Beach	FL	352	122	100.0%	100.0%	$3,681	$3,662
Carefree Cove	Ft. Lauderdale	FL	163	163	91.4%	92.1%	$5,693	$5,520
Park City West	Ft. Lauderdale	FL	363	363	94.8%	99.7%	$4,430	$4,260
Sunshine Holiday	Ft. Lauderdale	FL	269	269	89.6%	100.0%	$5,078	$4,908
Sunshine Holiday RV	Ft. Lauderdale	FL	131	30	100.0%	100.0%	$4,964	$4,620
Maralago Cay	Lantana	FL	602	602	93.9%	93.5%	$5,747	$5,520
Coral Cay	Margate	FL	817	817	88.6%	89.5%	$5,750	$5,532
Lakewood Village	Melbourne	FL	349	349	87.4%	87.7%	$4,997	$4,800
Holiday Village	Ormond Beach	FL	301	301	85.7%	87.4%	$4,308	$4,116
Sunshine Holiday - Encore	Ormond Beach	FL	349	123	100.0%	100.0%	$3,500	$3,424
The Meadows	Palm Beach Gardens	FL	379	379	84.7% (b)	88.7% (b)	$5,090	$4,848
Breezy Hill RV	Pompano Beach	FL	762	430	100.0%	100.0%	$4,937	$4,628
Highland Wood RV	Pompano Beach	FL	148	69	100.0%	100.0%	$4,258	$3,882
Lighthouse Pointe	Port Orange	FL	433	433	86.4% (b)	88.0% (b)	$4,286	$4,188
Pickwick	Port Orange	FL	432	432	99.3%	99.8%	$4,420	$4,260
Indian Oaks	Rockledge	FL	208	208	100.0%	100.0%	$3,615	$3,456
Coquina Crossing	St Augustine	FL	532	532	85.0% (b)	89.1% (b)	$4,629	$4,308
Lazy Lakes - Sunburst	Sugar Loaf	FL	100	26	100.0%	100.0%	$6,342	$5,888
Countryside	Vero Beach	FL	645	645	90.1% (b)	92.0% (b)	$4,579	$4,272
Heritage Plantation	Vero Beach	FL	436	436	86.2%	88.5%	$4,743	$4,608
Holiday Village	Vero Beach	FL	128	128	43.8%	48.4%	$4,073	$3,852
Sunshine Travel - Encore	Vero Beach	FL	300	170	100.0%	100.0%	$3,715	$3,588

PROPERTY	LOCATION CITY, STATE		TOTAL NUMBER OF SITES AS OF 12/31/05	TOTAL NUMBER OF ANNUAL SITES 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/04	ANNUAL RENT AS OF 12/31/05	ANNUAL RENT AS OF 12/31/04
CENTRAL:								
Lake Magic - Encore	Clermont	FL	471	59	100.0%	100.0%	$3,141	$3,068
Southern Palms	Eustis	FL	950	406	100.0%	100.0%	$2,754	$2,641
Grand Island	Grand Island	FL	359	359	57.1% (b)	66.1% (b)	$4,114	$3,864
Sherwood Forest	Kissimmee	FL	754	754	93.8% (b)	94.8% (b)	$4,645	$4,464
Sherwood Forest RV Park	Kissimmee	FL	513	152	100.0%	100.0%	$4,353	$4,260
Tropical Palms	Kissimmee	FL	541	--	--	--	--	--
Coachwood Colony	Leesburg	FL	202	202	94.6%	96.5%	$3,207	$2,976
Mid-Florida Lakes	Leesburg	FL	1,225	1,225	82.0% (b)	82.5% (b)	$4,759	$4,584
Southernaire	Mt. Dora	FL	108	108	88.0%	94.4%	$3,608	$3,420
Oak Bend	Ocala	FL	262	262	87.8% (b)	87.8% (b)	$3,878	$3,768
Villas at Spanish Oaks	Ocala	FL	459	459	86.7%	87.1%	$4,230	$4,104
GULF COAST (TAMPA/NAPLES):								
Toby's RV	Arcadia	FL	379	289	100.0%	100.0%	$1,910	$1,810
Manatee - Encore	Bradenton	FL	415	230	100.0%	100.0%	$3,805	$3,622
Windmill Manor	Bradenton	FL	292	292	94.2%	94.2%	$4,812	$4,716
Glen Ellen	Clearwater	FL	106	106	85.8%	86.8%	$4,154	$4,145
Hillcrest	Clearwater	FL	278	278	77.0%	79.6%	$4,773	$4,596
Silk Oak	Clearwater	FL	181	181	78.5%	85.0%	$4,711	$4,596
Crystal Isles - Encore	Crystal River	FL	260	13	100.0%	100.0%	$3,020	$2,618
Lake Haven	Dunedin	FL	379	379	82.3%	81.5%	$5,546	$5,304
Fort Myers Beach Resort	Fort Myers	FL	306	103	100.0%	100.0%	$4,911	$4,566
Gulf Air Resort - Sunburst	Fort Myers	FL	246	163	100.0%	100.0%	$4,112	$3,866
Barrington Hills - Sunburst	Hudson	FL	392	264	100.0%	100.0%	$2,378	$2,274
Down Yonder	Largo	FL	361	361	96.7%	97.0%	$5,350	$5,088
East Bay Oaks	Largo	FL	328	328	94.5%	95.7%	$5,101	$4,884
Eldorado Village	Largo	FL	227	227	95.6%	95.6%	$5,046	$4,908
Holiday Ranch	Largo	FL	150	150	86.0%	88.0%	$4,701	$4,536
Shangri La	Largo	FL	160	160	90.0%	93.1%	$4,512	$4,428
Vacation Village - Sunburst	Largo	FL	293	192	100.0%	100.0%	$3,660	$3,534
Pasco - Encore	Lutz	FL	255	157	100.0%	100.0%	$3,077	$2,949
Buccaneer	N. Ft. Myers	FL	971	971	97.8%	96.9%	$4,767	$4,584
Lake Fairways	N. Ft. Myers	FL	896	896	99.9%	99.8%	$5,004	$4,872
Pine Lakes	N. Ft. Myers	FL	584	584	99.8%	100.0%	$6,079	$5,820
Pioneer Village - Sunburst	N. Ft. Myers	FL	733	398	100.0%	100.0%	$3,326	$3,168
The Heritage	N. Ft. Myers	FL	455	455	98.0% (b)	95.4% (b)	$4,457	$4,224
Windmill Village	N. Ft. Myers	FL	491	491	93.7%	93.3%	$4,226	$4,056
Country Place	New Port Richey	FL	515	515	100.0%	99.8%	$3,513	$3,408
Hacienda Village	New Port Richey	FL	505	505	96.6%	96.8%	$4,272	$4,080
Harbor View	New Port Richey	FL	471	471	98.9%	99.6%	$2,885	$2,736
Bay Lake Estates	Nokomis	FL	228	228	94.3%	96.1%	$5,456	$5,244
Royal Coachman - Encore	Nokomis	FL	546	389	100.0%	100.0%	$5,126	$4,912
Silver Dollar	Odessa	FL	385	366	100.0%	100.0%	$3,613	$3,329
Terra Ceia	Palmetto	FL	203	145	100.0%	100.0%	$2,849	$2,808
Lakes at Countrywood	Plant City	FL	424	424	90.3% (b)	91.7% (b)	$3,439	$3,264
Meadows at Countrywood	Plant City	FL	799	799	93.2% (b)	91.5% (b)	$4,007	$3,802
Oaks at Countrywood	Plant City	FL	168	168	74.4% (b)	70.2% (b)	$3,462	$3,324
Harbor Lakes - Encore	Port Charlotte	FL	528	252	100.0%	100.0%	$3,713	$3,544
Gulf View - Encore	Punta Gorda	FL	206	36	100.0%	100.0%	$3,749	$3,537
Winds of St. Armands No	Sarasota	FL	471	471	95.5%	95.5%	$4,892	$4,788
Winds of St. Armands So	Sarasota	FL	306	306	99.7%	99.7%	$4,885	$4,728
Topics RV	Spring Hill	FL	230	159	100.0%	100.0%	$2,458	$2,327
Bay Indies	Venice	FL	1,309	1,309	96.9%	96.7%	$5,736	$5,232
Sixth Avenue	Zephyrhills	FL	134	134	91.8%	93.3%	$2,135	$2,112
TOTAL FLORIDA MARKET			31,712	26,052	92.9%	93.7%	$4,501	$4,304

PROPERTY	LOCATION CITY, STATE		TOTAL NUMBER OF SITES AS OF 12/31/05	TOTAL NUMBER OF ANNUAL SITES 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/04	ANNUAL RENT AS OF 12/31/05	ANNUAL RENT AS OF 12/31/04
				CALIFORNIA				
NORTHERN CALIFORNIA:								
Monte del Lago	Castroville	CA	310	310	94.8% (b)	98.4% (b)	$ 9,155	$ 7,608
Colony Park	Ceres	CA	186	186	89.8%	94.1%	$ 5,974	$ 5,112
Four Seasons	Fresno	CA	242	242	89.3%	84.7%	$ 3,680	$ 3,492
Tahoe Valley Campground	Lake Tahoe	CA	413	--	--	--	--	--
Sea Oaks	Los Osos	CA	125	125	100.0%	97.6%	$ 5,563	$ 5,364
Coralwood	Modesto	CA	194	194	98.5%	99.5%	$ 6,694	$ 6,180
Concord Cascade	Pacheco	CA	283	283	98.6%	98.2%	$ 7,089	$ 6,924
Quail Meadows	Riverbank	CA	146	146	98.6%	98.6%	$ 6,546	$ 5,688
San Francisco RV Resort	San Francisco	CA (a)	182	--	--	--	--	--
California Hawaiian	San Jose	CA	418	418	95.2%	97.4%	$ 8,920	$ 8,628
Sunshadow	San Jose	CA	121	121	96.7%	97.5%	$ 8,656	$ 8,268
Village of the Four Seasons	San Jose	CA	271	271	91.9%	98.5%	$ 8,212	$ 8,148
Westwinds (4 Properties)	San Jose	CA	723	723	88.8%	96.1%	$ 9,555	$ 9,420
Laguna Lake	San Luis Obispo	CA	290	290	99.7%	98.6%	$ 4,887	$ 4,848
Contempo Marin	San Rafael	CA	396	396	98.5%	98.5%	$ 7,958	$ 7,884
DeAnza Santa Cruz	Santa Cruz	CA	198	198	96.0%	96.5%	$ 8,263	$ 8,124
Royal Oaks	Visalia	CA	149	149	87.9%	82.6%	$ 3,919	$ 3,816
SOUTHERN CALIFORNIA:								
Date Palm Country Club	Cathedral City	CA	538	538	96.1%	96.5%	$ 9,396	$ 8,916
Date Palm RV	Cathedral City	CA	140	--	--	--	--	--
Rancho Mesa	El Cajon	CA	158	158	86.1%	95.6%	$ 9,936	$ 8,424
Rancho Valley	El Cajon	CA	140	140	100.0%	100.0%	$10,552	$10,092
Royal Holiday	Hemet	CA	179	179	58.7%	60.3%	$ 4,070	$ 3,876
Pacific Dunes Ranch	Oceana	CA	215	3	100.0%	--	$ 1,800	$ 1,800
Las Palmas	Rialto	CA	136	136	100.0%	100.0%	$ 4,583	$ 4,440
Parque La Quinta	Rialto	CA	166	166	100.0%	99.4%	$ 4,646	$ 4,452
Meadowbrook	Santee	CA	338	338	98.2%	98.2%	$ 8,691	$ 8,412
Lamplighter	Spring Valley	CA	270	270	98.9%	99.3%	$10,940	$10,824
Santiago Estates	Sylmar	CA	300	300	99.3%	99.0%	$ 9,013	$ 8,580
TOTAL CALIFORNIA MARKET			7,227	6,280	94.3%	95.8%	$ 7,853	$ 7,495
				ARIZONA				
Countryside RV	Apache	AZ	560	260	100.0%	100.0%	$ 2,676	$ 2,613
Golden Sun RV	Apache Junction	AZ	329	190	100.0%	100.0%	$ 2,699	$ 2,642
Casa del Sol #2	Glendale	AZ	239	239	72.0%	74.5%	$ 6,299	$ 6,204
Casa del Sol #3	Glendale	AZ	236	236	75.4%	80.9%	$ 6,565	$ 6,336
Palm Shadows	Glendale	AZ	294	294	67.0%	78.6%	$ 4,991	$ 4,860
Hacienda de Valencia	Mesa	AZ	365	365	78.6%	75.3%	$ 5,205	$ 5,040
Monte Vista	Mesa	AZ	832	752	100.0%	100.0%	$ 4,957	$ 4,562
The Highlands at Brentwood	Mesa	AZ	273	273	79.5%	89.4%	$ 6,291	$ 6,240
The Mark	Mesa	AZ	410	410	48.3%	55.1%	$ 5,046	$ 4,992
Viewpoint	Mesa	AZ	1,928	1,470	100.0%	100.0%	$ 4,050	$ 3,822
Casa del Sol #1	Peoria	AZ	245	245	71.0%	78.4%	$ 5,989	$ 5,904
Apollo Village	Phoenix	AZ	236	236	69.5% (b)	78.8% (b)	$ 5,243	$ 5,100
Carefree Manor	Phoenix	AZ	128	128	58.6%	72.7%	$ 4,462	$ 4,332
Central Park	Phoenix	AZ	293	293	79.9%	84.6%	$ 5,438	$ 5,124
Desert Skies	Phoenix	AZ	165	165	91.5%	93.3%	$ 4,621	$ 4,464
Sunrise Heights	Phoenix	AZ	199	199	71.9%	73.4%	$ 5,241	$ 5,064
Whispering Palms	Phoenix	AZ	116	116	87.9%	91.4%	$ 4,127	$ 3,792
Sedona Shadows	Sedona	AZ	197	197	97.0%	97.5%	$ 5,696	$ 5,148
Paradise	Sun City	AZ	950	815	100.0%	100.0%	$ 3,385	$ 3,177
The Meadows	Tempe	AZ	391	391	71.9%	75.4%	$ 5,822	$ 5,820
Fairview Manor	Tucson	AZ	235	235	70.6%	80.0%	$ 4,392	$ 4,263
Araby	Yuma	AZ	337	274	100.0%	100.0%	$ 2,604	$ 2,468
Cactus Gardens	Yuma	AZ	430	269	100.0%	100.0%	$ 1,775	$ 1,691
Desert Paradise	Yuma	AZ	260	85	100.0%	100.0%	$ 1,800	$ 1,727
Foothill	Yuma	AZ	180	72	100.0%	100.0%	$ 1,860	$ 1,792
Suni Sands	Yuma	AZ	336	176	100.0%	100.0%	$ 2,193	$ 2,135
TOTAL ARIZONA MARKET			10,164	8,385	87.0%	89.5%	$ 4,449	$ 4,267

PROPERTY	LOCATION CITY, STATE			TOTAL NUMBER OF SITES AS OF 12/31/05	TOTAL NUMBER OF ANNUAL SITES 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/04	ANNUAL RENT AS OF 12/31/05	ANNUAL RENT AS OF 12/31/04
				COLORADO					
Hillcrest Village	Aurora	CO		601	601	69.7%	79.9%	$6,247	$6,096
Cimarron	Broomfield	CO		327	327	82.9%	91.7%	$5,945	$5,796
Holiday Village	Co. Springs	CO		240	240	81.7%	86.3%	$6,173	$6,108
Holiday Hills	Denver	CO		735	735	82.4%	87.8%	$6,053	$5,880
Woodland Hills	Denver	CO		434	434	77.4%	82.7%	$5,606	$5,496
Golden Terrace	Golden	CO		265	265	86.4%	88.7%	$6,536	$6,360
Golden Terrace South	Golden	CO		80	80	76.3%	80.0%	$6,322	$6,144
Golden Terrace South RV	Golden	CO		80	--	--	--	--	--
Golden Terrace West	Golden	CO		316	316	86.1%	88.3%	$6,551	$6,204
Pueblo Grande	Pueblo	CO		251	251	90.8%	93.6%	$3,876	$3,840
Bear Creek	Sheridan	CO		122	122	90.2%	95.1%	$6,110	$5,892
TOTAL COLORADO MARKET				3,451	3,371	80.9%	86.6%	$5,959	$5,800
				NORTHEAST					
Waterford	Bear	DE		731	731	94.7% (b)	94.5% (b)	$5,433	$5,196
Whispering Pines	Lewes	DE		392	392	86.7%	87.8%	$4,033	$3,816
Mariners Cove	Millsboro	DE		376	376	94.1% (b)	93.1% (b)	$6,270	$5,844
Aspen Meadows	Rehoboth	DE		200	200	99.5%	99.0%	$4,497	$4,284
Camelot Meadows	Rehoboth	DE		302	302	97.7%	98.3%	$4,164	$3,948
McNicol	Rehoboth	DE		93	93	100.0%	100.0%	$3,991	$3,816
Sweetbriar	Rehoboth	DE		146	146	97.9%	96.6%	$4,090	$3,924
Old Chatham Road RV	South Dennis	MA	(a)	312	306	100.0%	--	$3,070	--
Pinehurst RV Park	Old Orchard Beach	ME	(a)	550	522	100.0%	--	$2,770	--
Waterway RV Resort	Cedar Point	NC		336	327	100.0%	100.0%	$2,602	$2,544
Twin Lakes	Chocowinity	NC		400	315	100.0%	100.0%	$2,215	$2,094
Goose Creek	Newport	NC		598	553	100.0%	100.0%	$2,775	$2,689
Sandy Beach RV Park	Contoocook	NH	(a)	190	174	100.0%	--	$2,709	--
Alpine Lake	Corinth	NY	(a)	500	228	100.0%	--	$2,489	--
Lake George Escape	Lake George	NY	(a)	576	--	--	--	--	--
Greenwood Village	Manorville	NY		512	512	100.0%	100.0%	$5,789	$5,460
Brennan Beach	Pulaski	NY	(a)	1,377	1,165	100.0%	0.0%	$1,726	--
Green Acres	Breinigsville	PA		595	595	93.1%	93.8%	$5,852	$5,616
Spring Gulch	New Holland	PA		420	60	100.0%	100.0%	$3,421	$3,328
Meadows of Chantilly	Chantilly	VA		500	500	92.2%	88.8%	$8,402	$7,836
TOTAL NORTHEAST MARKET				9,106	7,497	97.3%	95.7%	$4,894	$4,646
				MIDWEST					
Holiday Village	Sioux City	IA		519	519	51.3%	57.6%	$3,171	$3,108
O'Connell's	Amboy	IL		668	336	100.0%	100.0%	$2,245	$2,144
Willow Lake Estates	Elgin	IL		617	617	77.6%	83.3%	$8,919	$8,604
Golf Vista Estates	Monee	IL		408	408	98.0% (b)	97.5% (b)	$5,981	$5,748
Forest Oaks	Chesterton	IN		227	227	62.1%	63.9%	$4,408	$4,428
Windsong	Indianapolis	IN		268	268	45.1%	51.5%	$4,125	$3,972
Lakeside	New Carlisle	IN		95	65	100.0%	100.0%	$1,714	$1,663
Oak Tree Village	Portage	IN		361	361	72.0%	80.9%	$4,443	$4,296
Creekside	Wyoming	MI		165	165	75.8%	81.2%	$4,920	$4,806
Caledonia	Caledonia	WI		247	--	--	--	--	--
Fremont	Fremont	WI		325	45	100.0%	--	$2,130	--
Yukon Trails	Lyndon Station	WI		214	131	100.0%	--	--	--
TOTAL MIDWEST MARKET				4,114	3,142	75.4%	77.6%	$4,797	$4,618

PROPERTY	LOCATION CITY, STATE		TOTAL NUMBER OF SITES AS OF 12/31/05	TOTAL NUMBER OF ANNUAL SITES 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/05	ANNUAL SITE OCCUPANCY AS OF 12/31/04	ANNUAL RENT AS OF 12/31/05	ANNUAL RENT AS OF 12/31/04
			NEVADA, UTAH, NEW MEXICO					
Del Rey	Albuquerque	NM	407	407	21.9%	59.2%	$4,759	$4,524
Bonanza	Las Vegas	NV	353	353	62.6%	63.7%	$6,293	$6,108
Boulder Cascade	Las Vegas	NV	299	299	76.9%	76.9%	$5,741	$5,556
Cabana	Las Vegas	NV	263	263	96.6%	95.4%	$5,921	$5,520
Flamingo West	Las Vegas	NV	258	258	99.6%	99.6%	$6,381	$6,132
Villa Borega	Las Vegas	NV	293	293	82.9%	83.3%	$5,906	$5,688
Westwood Village	Farr West	UT	314	314	92.0% (b)	93.6% (b)	$3,719	$3,576
All Seasons	Salt Lake City	UT	121	121	86.8%	89.3%	$4,778	$4,620
TOTAL NEVADA, UTAH, NEW MEXICO MARKET			2,308	2,308	73.1%	80.1%	$5,440	$5,217
			NORTHWEST					
Casa Village	Billings	MT	490	490	74.1%	85.5%	$3,879	$3,648
Mt. Hood	Welches	OR	436	52	100.0%	100.0%	$4,279	$4,124
Shadowbrook	Clackamas	OR	156	156	96.8%	95.5%	$6,321	$6,324
Falcon Wood Village	Eugene	OR	183	183	86.9%	88.5%	$5,129	$4,968
Quail Hollow	Fairview	OR	137	137	93.4%	92.7%	$6,570	$6,300
Kloshe Illahee	Federal Way	WA	258	258	95.3%	96.1%	$7,862	$7,548
TOTAL NORTHWEST MARKET			1,660	1,276	86.1%	90.7%	$5,468	$5,257
			TEXAS					
Lakewood - Sunburst	Harlingen	TX	301	112	100.0%	100.0%	$1,764	$1,707
Paradise Park RV Resort	Harlingen	TX	563	331	100.0%	100.0%	$2,616	$2,509
Sunshine RV - Encore	Harlingen	TX	1,027	418	100.0%	100.0%	$2,097	$2,000
Paradise South - Encore	Mercedes	TX	493	174	100.0%	100.0%	$1,837	$1,757
Fun n Sun RV Park	San Benito	TX	1,435	606	100.0%	100.0%	$2,568	$2,486
Southern Comfort	Weslaco	TX	403	340	100.0%	100.0%	$2,344	$2,263
Tropic Winds	Harlingen	TX	531	33	100.0%	100.0%	$2,691	$2,591
Country Sunshine - Sunburst	Weslaco	TX	390	211	100.0%	100.0%	$2,277	$2,203
TOTAL TEXAS MARKET			5,143	2,225	100.0%	100.0%	$2,329	$2,242
GRAND TOTAL ALL MARKETS			74,885	60,536	90.6%	91.8%	$4,966	$4,755

(a) Represents Properties acquired in 2005.
(b) The process of filling Expansion Sites at these Properties is ongoing. A decrease in occupancy may reflect development of additional Expansion Sites.

ITEM 3. LEGAL PROCEEDINGS

CALIFORNIA RENT CONTROL LITIGATION

As part of the Company's effort to realize the value of its Properties subject to rent control, the Company has initiated lawsuits against several municipalities in California. The Company's goal is to achieve a level of regulatory fairness in California's rent control jurisdictions, and in particular those jurisdictions that prohibit increasing rents to market upon turnover. Regulations in California allow tenants to sell their homes for a premium representing the value of the future discounted rent-controlled rents. In the Company's view, such regulation results in a transfer of the value of the Company's stockholders' land, which would otherwise be reflected in market rents, to tenants upon the sales of their homes in the form of an inflated purchase price that cannot be attributed to the value of the home being sold. As a result, in the Company's view, the Company loses the value of its asset and the selling tenant leaves the Property with a windfall premium. The Company has discovered through the litigation process that certain municipalities considered condemning the Company's Properties at values well below the value of the underlying land. In the Company's view, a failure to articulate market rents for sites governed by restrictive rent control would put the Company at risk for condemnation or eminent domain proceedings based on artificially reduced rents. Such a physical taking, should it occur, could represent substantial lost value to stockholders. The Company is cognizant of the need for affordable housing in the jurisdictions, but asserts that restrictive rent regulation does not promote this purpose because the benefits of such regulation are fully capitalized into the prices of the homes sold. The Company estimates that the annual rent subsidy to tenants in these jurisdictions may be in excess of $15 million. In a more well balanced regulatory environment, the Company would receive market rents that would eliminate the subsidy and homes would trade at or near their intrinsic value.

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

The Company has filed two lawsuits in federal court against the City of San Rafael, challenging its rent control ordinance on constitutional grounds. The Company believes that one of those lawsuits was settled by the City agreeing to amend the ordinance to permit adjustments to market rent upon turnover. The City subsequently rejected the settlement agreement. The Court initially found the settlement agreement was binding on the City, but then reconsidered and determined to submit the claim of breach of the settlement agreement to a jury. In October 2002, the first case against the City went to trial, based on both breach of the settlement agreement and the constitutional claims. A jury found no breach of the settlement agreement; the Company then filed motions asking the Court to rule in its favor on that claim, notwithstanding the jury verdict. The Court postponed decision on those motions and on the constitutional claims, pending a ruling on some property rights issues by the United States Supreme Court. In the event that the Court does not rule in favor of the Company on either the settlement agreement or the constitutional claims, then the Company has pending claims seeking a declaration that it can close the Property and convert it to another use. The United States Supreme Court issued the property rights rulings in 2005 and the Company awaits the Court's decisions in the San Rafael matters. On January 27, 2006, the Court issued a ruling that granted the Company's motion for leave to amend to assert alternative takings theories in light of the United States Supreme Court's decisions. The Court's ruling also denied the Company's post trial motions related to the settlement agreement and dismissed the park closure claim without prejudice to the Company's ability to reassert such claim in the future. As a result, the Company has filed a new complaint challenging the City's ordinance as violating the takings clause and substantive due process. The Company expects the City to file a responsive motion to the amended complaint and for further legal proceedings to occur in 2006.

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

Similarly, in June 2003, the Company won a judgment against the City of Santee in California Superior Court (case no. 777094). The effect of the judgment was to invalidate, on state law grounds, two (2) rent control ordinances the City of Santee had enforced against the Company and other property owners. However, the Court allowed the City to continue to enforce a rent control ordinance that predated the two invalid ordinances (the "prior ordinance"). As a result of the judgment the Company was entitled to collect a one-time rent increase based upon the difference in annual adjustments between the invalid ordinance(s) and the prior ordinances and to adjust its base rents to reflect what the Company could have charged had the prior ordinance been continually in effect. The City of Santee appealed the judgment. The court of appeal and California Supreme Court refused to stay enforcement of these rent adjustments pending appeal. After the City was unable to obtain a stay, the City and the tenant association each sued the Company in separate actions alleging the rent adjustments pursuant to the judgment violate the prior ordinance (Case Nos. GIE 020887 and GIE 020524). They seek to rescind the rent adjustments, refunds of amounts paid, and penalties and damages in these separate actions. On January 25, 2005, the California Court of Appeal reversed the judgment in part and affirmed it in part with a remand. The Court of Appeal affirmed that one ordinance was unlawfully adopted and therefore void and that the second ordinance contained unconstitutional provisions. However, the Court ruled the City had the authority to cure the issues with the first ordinance retroactively. On remand the trial court is directed to decide the issue of damages to the Company which the Company believes is consistent with the Company receiving the economic benefit of invalidating one of the ordinances and also consistent with the Company's position that it is entitled to market rent and not merely a higher amount of regulated rent. In the remand action, the City of Santee filed a motion seeking restitution of amounts collected by the Company following the judgment which motion was denied. The Company intends to vigorously pursue its damages in the remand action and to vigorously defend the two new lawsuits.

In addition, the Company has sued the City of Santee in federal court alleging all three of the ordinances are unconstitutional under the Fifth and Fourteenth Amendments to the United States Constitution. Thus, it is the Company's position that the ordinances are subject to invalidation as a matter of law in the federal court action. Separately, the Federal District Court granted the City's Motion for Summary Judgment in the Company's federal court lawsuit. This decision was based not on the merits, but on procedural grounds, including that the Company's claims were moot given its success in the state court case. The Company has appealed the decision.

In October 2004, the United States Supreme Court granted certiorari in State of Hawaii vs. Chevron USA, Inc., a Ninth Circuit Court of Appeal case that upheld the standard that a regulation must substantially advance a legitimate state purpose in order to be constitutionally viable under the Fifth Amendment. On May 24, 2005 the United States Supreme Court reversed the Ninth Circuit Court of Appeal in an opinion that clarified the standard of review for regulatory takings brought under the Fifth Amendment. The Supreme Court held that the heightened scrutiny applied by the Ninth Circuit is not the applicable standard in a regulatory takings analysis, but is an appropriate factor for determining if a due process violation has occurred. The Court further clarified that regulatory takings would be determined in significant part by an analysis of the economic impact of the regulation. The Company believes that the severity of the economic impact on its Properties caused by rent control will enable it to continue to challenge the rent regulations under the Fifth Amendment and the due process clause.

DISPUTE WITH LAS GALLINAS VALLEY SANITARY DISTRICT

In November 2004, the Company received a Compliance Order (the "Compliance Order") from the Las Gallinas Valley Sanitary District (the "District"), relating to the Company's Contempo Marin Property in San Rafael, California. The Compliance Order directed the Company to submit and implement a plan to bring the Property's domestic wastewater discharges into compliance with the applicable District ordinance (the "Ordinance"), and to ensure continued compliance with the Ordinance in the future.

Without admitting any violation of the Ordinance, the Company promptly engaged a consultant to review the Property's sewage collection system and prepare a compliance plan to be submitted to the District. The District approved the compliance plan in January 2005, and the Company promptly took all necessary actions to implement same.

Thereafter, the Company received a letter dated June 2, 2005 from the District's attorney (the "June 2 Letter"), acknowledging that the Company has "taken measures to bring the [Property's] private sanitary system into compliance" with the Ordinance, but claiming that prior discharges from the Property had damaged the District's sewers and pump stations in the amount of approximately $368,000. The letter threatened legal action if necessary to recover the cost of repairing such damage. By letter dated June 23, 2005, counsel for the Company denied the District's claims set forth in the June 2 Letter.

On July 1, 2005, the District filed a Complaint for Enforcement of Sanitation Ordinance, Damages, Penalties and Injunctive Relief in the California Superior Court for Marin County, and on August 17, 2005, the District filed its First Amended Complaint (the "Complaint"). On September 26, 2005, the Company filed its Answer to the Complaint, denying each and every allegation of the Complaint and further denying that the District is entitled to any of the relief requested therein.

The District subsequently issued a Notice of Violation dated December 12, 2005 (the "NOV"), alleging additional violations of the Ordinance. By letter dated December 23, 2005, the Company denied the allegations in the NOV.

The Company believes that it has complied with the Compliance Order and the Ordinance. The Company further believes that the allegations in the Complaint and the NOV are without merit, and will vigorously defend against any such claims by the District.

COUNTRYSIDE AT VERO BEACH

The Company previously received letters dated June 17, 2002 and August 26, 2002 from Indian River County ("County"), claiming that the Company owed sewer impact fees in the amount of approximately $518,000 with respect to the Property known as Countryside at Vero Beach, located in Vero Beach, Florida, purportedly under the terms of an agreement between the County and a prior owner of the Property. In response, the Company advised the County that these fees are no longer due and owing as a result of a 1996 settlement agreement between the County and the prior owner of the Property, providing for the payment of $150,000 to the County to discharge any further obligation for the payment of impact or connection fees for sewer service at the Property. The Company paid this settlement amount (with interest) to the County in connection with the Company's acquisition of the Property. In February 2006, the Company was served with a complaint filed by the County in Indian River County Circuit Court, requesting a judgment declaring a lien against the Property for allegedly unpaid impact fees, and foreclosing said lien. The Company will vigorously defend the lawsuit.

On January 12, 2006, the Company was served with a complaint filed in Indian River County Circuit Court on behalf of a purported class of homeowners at Countryside at Vero Beach. The complaint includes counts for alleged violations of the Florida Mobile Home Act and the Florida Deceptive and Unfair Trade Practices Act, and claims that the Company required homeowners to pay water and sewer impact fees, either to the Company or to the County, "as a condition of initial or continued occupancy in the Park", without properly disclosing the fees in advance and notwithstanding the Company's position that all such fees were fully paid in connection with the settlement agreement described above. The Company will vigorously defend the lawsuit.

OTHER

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

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock is traded on the New York Stock Exchange ("NYSE") under the symbol ELS. On February 14, 2006, the reported closing price per share of ELS common stock on the NYSE was $46.22 and there were approximately 5,267 beneficial holders of record. The high and low sales prices and closing sales prices on the NYSE and distributions for our common stock during 2005 and 2004 are set forth in the table below:

	CLOSE	HIGH	LOW	DISTRIBUTIONS DECLARED
2005				
1st Quarter ...	$35.25	$36.26	$32.73	$ 0.025
2nd Quarter ...	39.76	40.15	34.33	0.025
3rd Quarter ...	45.00	48.00	39.82	0.025
4th Quarter ...	44.50	47.53	38.70	0.025
2004				
1st Quarter ...	$35.30	$37.90	$28.94	$0.0125
2nd Quarter ...	33.19	35.35	28.49	0.0125
3rd Quarter ...	33.24	34.34	31.10	0.0125
4th Quarter ...	35.75	36.52	32.88	0.0125

ISSUER PURCHASES OF EQUITY SECURITIES

PERIOD	TOTAL NUMBER OF SHARES PURCHASED(a)	AVERAGE PRICE PAID PER SHARE(a)	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	MAXIMUM NUMBER OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS
12/1/05-12/31/05	14,867	$46.56	None	None

(a) Of the common stock repurchased on December 9, 2005, 14,867 shares were repurchased at the open market price and represent common stock surrendered to the Company to satisfy income tax withholding obligations due as a result of the Company terminating its Supplemental Retirement Savings Plan at the end of 2005. The termination of the plan resulted in a taxable distribution to the participants who received all of the assets held in their plan account.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial and operating information on a historical basis. The historical operating data has been derived from the historical financial statements of the Company. The following information should be read in conjunction with all of the financial statements and notes thereto included elsewhere in this Form 10-K.

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

	(1) YEARS ENDED DECEMBER 31,				
	2005	2004	2003	2002	2001
PROPERTY OPERATIONS:					
Community base rental income	$ 213,280	$ 204,190	$ 189,915	$187,406	$183,580
Resort base rental income	73,398	54,841	11,779	9,143	5,743
Utility and other income	27,210	24,278	19,411	18,933	19,628
Property operating revenues	313,888	283,309	221,105	215,482	208,951
Property operating and maintenance	104,150	92,121	61,945	59,839	57,780
Real estate taxes	24,688	22,723	18,011	16,919	16,047
Property management	15,919	12,852	9,373	9,292	8,973
Property operating expenses (exclusive of depreciation shown separately below)	144,757	127,696	89,329	86,050	82,800
Income from property operations	169,131	155,613	131,776	129,432	126,151
HOME SALES OPERATIONS:					
Gross revenues from inventory home sales	66,014	47,404	36,472	33,262	--
Cost of inventory home sales	(57,471)	(41,577)	(31,615)	(26,922)	--
Gross profit from inventory home sales	8,543	5,827	4,857	6,340	--
Brokered resale revenues, net	2,714	2,176	1,714	1,558	--
Home selling expenses	(8,838)	(8,630)	(7,287)	(7,570)	--
Ancillary services revenues, net	3,864	2,743	162	448	--
Income (loss) from home sales operations & other	6,283	2,116	(554)	776	--
OTHER INCOME (EXPENSES):					
Interest income	1,406	1,391	1,695	967	639
Equity in income of affiliates	--	--	--	--	1,758
Income from other investments, net (2)	16,609	3,475	956	316	383
General and administrative	(13,624)	(9,243)	(8,060)	(8,192)	(6,687)
Rent control initiatives	(1,081)	(2,412)	(2,352)	(5,698)	(2,358)
Interest and related amortization (3)	(100,832)	(90,970)	(58,206)	(50,725)	(51,287)
Loss on early debt retirement (4)	(20,630)	--	--	--	--
Depreciation on corporate assets	(804)	(1,657)	(1,240)	(1,277)	(1,243)
Depreciation on real estate assets and other costs	(55,689)	(47,541)	(35,924)	(33,160)	(32,181)
Total other expenses, net	(174,645)	(146,957)	(103,131)	(97,769)	(90,976)
Income before minority interests, equity in income of unconsolidated joint ventures, loss on extinguishment of debt, gain on sale of property and discontinued operations	769	10,772	28,091	32,439	35,175
Loss (income) allocated to Common OP Units	731	(608)	(3,431)	(4,230)	(6,612)
(Income) allocated to Perpetual Preferred OP Units (5)	(13,974)	(11,284)	(11,252)	(11,252)	(11,252)
Equity in income of unconsolidated joint ventures	6,508	3,739	340	235	282
(Loss) income before gain on sale of properties and other, and discontinued operations	(5,966)	2,619	13,748	17,192	17,593
Gain on sale of properties and other	--	2	--	--	8,168
(Loss) income from continuing operations	(5,966)	2,621	13,748	17,192	25,761
DISCONTINUED OPERATIONS:					
Discontinued operations	1,875	2,450	4,607	7,387	7,525
Depreciation on discontinued operations	(329)	(1,353)	(1,476)	(2,150)	(1,964)
Gain on sale of discontinued properties and other	2,279	636	10,826	13,014	--
Minority interests on discontinued operations	(192)	(328)	(2,573)	(3,556)	(1,125)
Income from discontinued operations	3,633	1,405	11,384	14,695	4,436
NET (LOSS) INCOME AVAILABLE FOR COMMON SHARES	$ (2,333)	$ 4,026	$ 25,132	$ 31,887	$ 30,197

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

	(1) AS OF DECEMBER 31,				
	2005	2004	2003	2002	2001
EARNINGS PER COMMON SHARE - BASIC:					
(Loss) Income from continuing operations	$ (0.26)	$ 0.12	$ 0.62	$ 0.80	$ 1.23
Income from discontinued operations	$ 0.16	$ 0.06	$ 0.52	$ 0.68	$ 0.21
Net (loss) income available for Common Shares	$ (0.10)	$ 0.18	$ 1.14	$ 1.48	$ 1.44
EARNINGS PER COMMON SHARE - FULLY DILUTED:					
(Loss) Income from continuing operations	$ (0.26)	$ 0.11	$ 0.61	$ 0.78	$ 1.20
Income from discontinued operations	$ 0.16	$ 0.06	$ 0.50	$ 0.66	$ 0.20
Net (loss) income available for Common Shares	$ (0.10)	$ 0.17	$ 1.11	$ 1.44	$ 1.40
Distributions declared per Common Share outstanding (3)	$ 0.10	$ 0.05	$ 9.485	$ 1.90	$ 1.78
Weighted average Common Shares outstanding - basic	23,081	22,849	22,077	21,617	21,036
Weighted average Common OP Units outstanding	6,285	6,067	5,342	5,403	5,466
Weighted average Common Shares outstanding - fully diluted	29,927	29,465	28,002	27,632	27,010
BALANCE SHEET DATA:					
Real estate, before accumulated depreciation (6)	$2,152,547	$2,035,790	$1,309,705	$1,296,007	$1,238,138
Total assets	1,948,874	1,886,289	1,463,507	1,154,794	1,099,447
Total mortgages and loans (3)	1,638,281	1,653,051	1,076,183	760,233	708,857
Minority interests (5)	209,379	134,771	124,634	166,889	170,675
Stockholders' equity (3)	32,516	31,844	(2,528)	171,175	173,264
OTHER DATA:					
Funds from operations (7)	$ 52,827	$ 54,448	$ 58,479	$ 62,695	$ 64,599
Total Properties (at end of period)	285	275	142	142	149
Total sites (at end of period)	106,337	101,231	52,349	51,582	50,663

(1) See the Consolidated Financial Statements of the Company included elsewhere herein.

Property operations and home sale operations are discussed in Item 7 contained in this Form 10-K.

(2) On November 10, 2004, we acquired KTTI Holding Company, Inc., owner of 57 Properties and approximately 3,000 acres of vacant land, for $160 million ("Thousand Trails Transaction"). The Company has provided a long-term lease of the real estate (excluding the vacant land) to Thousand Trails, which will continue to operate the Properties for the benefit of its approximately 105,000 members nationwide. The Properties are located in 16 states (primarily in the western and southern United States) and British Columbia, and contain 17,911 sites. The lease generates $16 million in rental income to the Company on an absolute triple net basis, subject to annual escalations of 3.25%. The annual straight-line rent amount is approximately $20 million; and the Company has deferred recognition of the non-cash component (see Note 2 contained in the Notes to the Consolidated Financial Statements contained in this Form 10-K).

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

In connection with the $501 million borrowing and subsequent special distribution, on February 27, 2004, the Company contributed all of its assets to MHC Trust, a newly formed Maryland real estate investment trust, including the Company's entire partnership interest in the Operating Partnership. Due to the Company's tax basis in its interest in the Operating Partnership, the Company recognized $180 million of taxable income as a result of the contribution. This restructuring resulted in a step-up in the Company's tax basis in its assets, generating future depreciation deductions, which in turn will reduce the Company's future distribution requirements. This provides the Company with greater financial flexibility and greater growth potential (see Note 4 of the Notes to Consolidated Financial Statements contained in this Form 10-K).

(4) On December 2, 2005, we refinanced approximately $293 million of secured debt maturing in 2007 with an effective interest rate of 6.8% per annum. This debt was secured by two cross-collateralized loan pools consisting of 35 Properties. The transaction generated approximately $337 million in proceeds from loans secured by individual mortgages on 20 Properties. The blended interest rate on the refinancing was approximately 5.3% per annum, and the loans mature in 2015. Transaction costs resulting from early debt retirement were approximately $20.0 million.

(5) During 2005, we issued $25 million of 8.0625% Series D and $50 million of 7.95% Series F Cumulative Redeemable Perpetual Preference Units to institutional investors. Proceeds were used to pay down amounts outstanding under the Company's lines of credit (see Note 4 of the Notes to Consolidated Financial Statements contained in this Form 10-K).

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

(7) Refer to Item 7 contained in this Form 10-K for information regarding why we present funds from operations and for a reconciliation of this non-GAAP financial measure to net income.

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

The following discussion should be read in conjunction with "Selected Financial Data" and the historical Consolidated Financial Statements and Notes thereto appearing elsewhere in this Form 10-K.

2005 ACCOMPLISHMENTS

- Created greater financial flexibility through
  - refinancing $293 million of debt secured by 35 Properties in two cross-collateralized pools maturing in 2007 with an effective interest rate of 6.8% per annum, with new financing of $337 million of individual mortgage loans on 20 Properties with an effective interest rate of approximately 5.3% per annum and
  - issuing $75 million of Perpetual Preference units using net proceeds to pay down the Company's lines of credit.
- Increased presence in the Northeast with acquisitions in New York and Maine.
- Increased new home sales by 50%.
- Continued to develop leading brand names such as Encore and Thousand Trails, creating a larger customer resource base.
- Launched customer loyalty program, known as Encore Royalty Club, in an effort to increase seasonal and annual customer base.

OVERVIEW AND OUTLOOK

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

We have approximately 60,400 annual sites with average annual revenue of approximately $5,100 per site. We have approximately 8,000 seasonal sites, which are leased to customers generally for 3 to 6 months, for which we expect to collect annual rent in the range of $1,900 to $2,000 per site. We also have approximately 6,500 transient sites, occupied by customers who lease on a short-term basis, for which we expect to collect average annual rent per site in the range of $2,600 to $2,800. We expect to service 60,000 customers with these sites. However, we consider this revenue stream to be our most volatile. It is subject to weather conditions, gas prices, and other factors affecting the marginal RV customer's vacation and travel preferences. Finally, we have approximately 17,900 Thousand Trails sites for which we receive ground rent of $16 million annually with yearly escalations of 3.25%. This rent is classified in Income from other investments, net in the Consolidated Statements of Operations. We have interests in Properties owning approximately 13,500 sites for which revenue is classified as Equity in Income from Unconsolidated Joint Ventures in the Consolidated Statements of Operations.

	TOTAL SITES AS OF DECEMBER 31 (ROUNDED TO 000S)		APPROXIMATE ANNUAL REVENUE RANGE (1)	
	2005	2004	2006	2005
Community sites (2)	44,900	45,200	$5,700 - $5,800(3)	$5,400 - $5,500(3)
Resort sites:				
Annuals	15,500	13,100	$3,000 - $3,200	$3,000 - $3,200
Seasonal	8,000	7,200	$1,900 - $2,000	$1,800 - $1,900
Transient	6,500	6,000	$2,600 - $2,800	$2,300 - $2,500
Thousand Trails	17,900	17,900		
Joint Ventures	13,500	11,800		
	106,300	101,200		

(1) All ranges exclude utility and other income.

(2) Includes 2,076 sites from discontinued operations.

(3) Based on occupied sites. Average occupancy as of 12/31/05 was approximately 90%.

SERP TERMINATION

As a result of the changes in the law relating to deferred compensation plans, the Company terminated its Supplemental Retirement Savings Plan ("the Plan"). Termination of the Plan resulted in a taxable distribution to the participants, who received all of the assets that were held in their Plan account, net of applicable withholding taxes. These assets included approximately 900,000 shares of ELS common stock in the aggregate, including approximately 825,000 shares of ELS common stock held in the Plan accounts of ELS' executive officers and directors. All of the shares of ELS common stock held in Plan accounts that were distributed are freely tradable without restriction or further registration under the federal securities laws, except for shares held in the Plan accounts of executive officers and directors, which are subject to the manner and volume of sale requirements of Rule 144 under the Securities Act. Termination of the Plan had no effect on results of operations and no material impact on the Company's balance sheet. Certain executive officers of the Company may from time to time adopt non-discretionary, written trading plans that comply with Commission Rule 10b5-1; or otherwise monetize their equity-based compensation. Commission Rule 10b5-1 provides executives with a method to monetize their equity-based compensation in an automatic and non-discretionary manner over time.

PRIVILEGED ACCESS

On October 17, 2005, we announced that Mr. Joe McAdams resigned from the Company's Board of Directors in order to pursue a new venture called Privileged Access. The new company is expected to lease sites at certain of ELS' Properties for the purpose of creating flexible use products. These products may include the sale of timeshare or fractional interests in resort homes or cottages and membership and vacation-club products. Leasing our sites to Privileged Access allows us to participate in these products and activities while achieving long-term rental of our sites. The Company has yet to determine the impact this new relationship will have on its financial statements. On November 15, 2005 the Company entered into an agreement to loan Privileged Access up to $0.5 million. As of December 31, 2005, approximately $0.3 million has been borrowed by Privileged Access and is classified as a note receivable on our Consolidated Balance Sheets. The loan bears interest at prime plus 1.0% per annum and matures on November 15, 2007.

INSURANCE

Approximately 70 Florida Properties suffered damage from the four hurricanes that struck the state during August and September 2004. As of February 23, 2006, approximately $19.4 million of claims, including business interruption, have been submitted to our insurance companies for reimbursement. As of December 31, 2005, the Company has made total expenditures of approximately $11.9 million and expects to incur additional expenditures to complete the work necessary to restore our Properties to their pre-hurricanes condition. The Company has received proceeds from insurance carriers of approximately $2.6 million as of December 31, 2005. The Company has reserved approximately $2.0 million related to these expenditures ($0.7 million in 2005 and $1.3 million in 2004). Approximately $3.4 million of these expenditures have been capitalized per the Company's capitalization policy as of December 31, 2005. Approximately $3.9 million is included in other assets as a receivable from insurance providers as of December 31, 2005, and approximately $5.9 million was included in other assets as of December 31, 2004.

In 2005, the Company reduced the book value of its assets by approximately $1.0 million due to damage caused by these 2004 storms. The Company received insurance proceeds of approximately $0.8 million relating to other matters. Both of these items were recorded in income from other investments, net.

During the fourth quarter of 2005, the Company spent approximately $1.3 million on Properties located in South Florida impacted by Hurricane Wilma to get them operationally ready for the season. This amount has been charged to operations in 2005. The Company is still evaluating the total costs it expects to incur and is preparing its insurance claim.

PROPERTY ACQUISITIONS, JOINT VENTURES AND DISPOSITIONS

The following chart lists the Properties or portfolios acquired, invested in, or sold since January 1, 2004:

PROPERTY	TRANSACTION DATE	SITES
TOTAL SITES AS OF JANUARY 1, 2004		53,429
PROPERTY OR PORTFOLIO (# OF PROPERTIES IN PARENTHESES):		
O'Connell's	January 15, 2004	668
Spring Gulch	January 30, 2004	420
Paradise	February 3, 2004	950
Twin Lakes	February 18, 2004	400
Lakeside	February 19, 2004	95
Diversified Portfolio (10)	February 5, 2004	2,567
NHC Portfolio (28)	February 17, 2004	11,311
Viewpoint	May 3, 2004	1,928
Cactus Gardens	May 12, 2004	430
Monte Vista	May 13, 2004	832
GE Portfolio (5)	May 14, 2004	1,155
Yukon Trails	September 8, 2004	214
Caledonia	November 4, 2004	247
Thousand Trails (57)	November 10, 2004	17,911
Fremont	December 30, 2004	325
San Francisco RV	June 20, 2005	182
Morgan Portfolio (5)	August 12, 2005	2,929
Lake George Escape	September 15, 2005	576
JOINT VENTURES:		
Diversified Investments (12)	Various	4,697
Indian Wells	February 17, 2004	350
Maine Portfolio (3)	April 7, 2005	495
MEZZANINE INVESTMENTS (11)	February 3, 2004	5,054
DISPOSITIONS:		
Lake Placid	May 28, 2004	(408)
Manatee (Joint Venture)	September 1, 2004	(290)
Five Seasons	November 10, 2005	(390)
EXPANSION SITE DEVELOPMENT AND OTHER:		
Sites added (reconfigured) in 2004		147
Sites added (reconfigured) in 2005		113
TOTAL SITES AS OF DECEMBER 31, 2005		106,337

Since December 31, 2003, the gross investment in real estate increased from $1,310 million to $2,152 million as of December 31, 2005, due primarily to the aforementioned acquisitions and dispositions of Properties during the period. The total number of sites owned or controlled increased from 53,429 as of December 31, 2003 to 106,337 as of December 31, 2005.

MARKETS

The following table identifies our five largest markets by number of sites and provides information regarding our Properties (excludes Properties owned through Joint Ventures).

MAJOR MARKET	NUMBER OF PROPERTIES	TOTAL SITES	PERCENT OF TOTAL SITES	PERCENT OF TOTAL PROPERTY OPERATING REVENUES
Florida	77	32,562	35.1%	44.3%
California	45	13,047	14.1%	18.5%
Arizona	27	10,516	11.3%	11.6%
Texas	15	7,200	7.8%	2.5%
Washington	13	3,076	3.3%	0.6%
Other	76	26,395	28.4%	22.5%
Total	253	92,796	100.0%	100.0%

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

Long-Lived Assets

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

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

Real estate is recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. We use a 30-year estimated life for buildings acquired and structural and land improvements, a ten-to-fifteen-year estimated life for building upgrades and a three-to-seven-year estimated life for furniture, fixtures and equipment. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred and significant renovations and improvements that improve the asset and extend the useful life of the asset are capitalized over their estimated useful life.

Allowance for Doubtful Accounts

Rental revenue from our tenants is our principal source of revenue and is recognized over the term of the respective lease or the length of a customer's stay, the majority of which are for a term of not greater than one year. We monitor the collectibility of accounts receivable from our tenants on an on-going basis. We will reserve for receivables when we believe the ultimate collection is less than probable and maintain an allowance for doubtful accounts. An allowance for doubtful accounts is recorded during each period and the associated bad debt expense is included in our property operating and maintenance expense in our consolidated statement of operations. The allowance for doubtful accounts is netted against tenant and other receivable on our consolidated balance sheets. Our provision for uncollectible rents receivable was approximately $1.2 million as of December 31, 2005 and $1.0 million as of December 31, 2004.

We also finance the sale of homes to our customers (referred to as "Chattel Loans") through loans. The valuation of an allowance for doubtful accounts for the Chattel Loans is calculated based on a comparison of the outstanding principal balance of each note compared to the N.A.D.A. (National Automobile Dealers Association) value and the current market value of the underlying manufactured home collateral. A bad debt expense is recorded in home selling expense in our Consolidated Statement of Operations. The allowance for doubtful accounts is netted against the notes and interest receivables on our consolidated balance sheets. The allowance for these Chattel Loans as of December 31, 2005 and December 31, 2004 was $81,000 and $250,000, respectively.

Inventory

Inventory consists of new and used Site Set homes and is stated at the lower of cost or market after consideration of the N.A.D.A. Manufactured Housing Appraisal Guide and the current market value of each home included in the home inventory. Inventory sales revenues and resale revenues are recognized when the home sale is closed. Inventory is recorded net of an inventory reserve as of December 31, 2005 and December 31, 2004 of $580,000 and $600,000, respectively. The expense for the inventory reserve is included in the cost of home sales in our consolidated statement of operations.

Variable Interest Entities

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

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

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

Stock-based Compensation

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

The Company adopted the fair-value-based method of accounting for share-based payments effective January 1, 2003 using the modified prospective method described in FASB Statement No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure. The Company adopted Statement of Financial Accounting Standards No. 123(R), ("SFAS 123(R)") "Share Based Payment" on July 1, 2005 which did not have a material impact on the Company's results of operations or its financial position. The Company uses the Black-Scholes-Merton formula to estimate the value of stock options granted to employees.

OFF-BALANCE SHEET ARRANGEMENTS

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

RESULTS OF OPERATIONS

COMPARISON OF YEAR ENDED DECEMBER 31, 2005 TO YEAR ENDED DECEMBER 31, 2004

The following table summarizes certain financial and statistical data for the Property Operations for all Properties owned throughout both periods ("Core Portfolio") and the Total Portfolio for the years ended December 31, 2005 and 2004 (amounts in thousands).

	CORE PORTFOLIO				TOTAL PORTFOLIO			
	2005	2004	INCREASE / (DECREASE)	% CHANGE	2005	2004	INCREASE / (DECREASE)	% CHANGE
Community base rental income	$204,150	$196,292	$7,858	4.0%	$213,280	$204,190	$ 9,090	4.5%
Resort base rental income	14,957	14,515	442	3.0%	73,398	54,841	18,557	33.8%
Utility and other income	20,711	20,000	711	3.6%	27,210	24,278	2,932	12.1%
Property operating revenues ...	239,818	230,807	9,011	3.9%	313,888	283,309	30,579	10.8%
Property operating and maintenance	70,592	66,483	4,109	6.2%	104,150	92,121	12,029	13.1%
Real estate taxes	19,931	19,085	846	4.4%	24,688	22,723	1,965	8.6%
Property management	9,978	9,358	620	6.6%	15,919	12,852	3,067	23.9%
Property operating expenses ...	100,501	94,926	5,575	5.9%	144,757	127,696	17,061	13.4%
Income from property operations ..	$139,317	$135,881	$3,436	2.5%	$169,131	$155,613	$13,518	8.7%

PROPERTY OPERATING REVENUES

The 3.9% increase in the Core Portfolio property operating revenues reflects (i) a 4.7% increase in rates for our community base rental income combined with a 0.7% decrease in occupancy, (ii) a 4.1% increase in revenues for our core resort property operating revenues, and (iii) an increase in utility income due to higher utility rates. Total Portfolio operating revenues increased due to current year acquisitions and 2004 acquisitions owned for the full year in 2005 (see Note 5 of the Notes to Consolidated Financial Statements contained in this Form 10-K).

PROPERTY OPERATING EXPENSES

The 6.2% increase in property operating and maintenance expense for the Core Portfolio is due primarily to increases in administrative expense, utility expense increases greater than CPI, and increased insurance expenses. The 4.4% increase in Core Portfolio real estate taxes is generally due to higher property assessments on certain Properties. Property management expense for the Core Portfolio, which reflects costs of managing the Properties and is estimated based on a percentage of Property operating revenues, increased due to payroll costs, but remains at approximately 4% of revenue. Property management expense for the Total Portfolio increased primarily due to overall Company growth and new marketing initiatives. Total Portfolio operating expenses increased due to our current year acquisitions and 2004 acquisitions owned for the full year in 2005.

RESULTS OF OPERATIONS (CONTINUED)

HOME SALES OPERATIONS

The following table summarizes certain financial and statistical data for the Home Sales Operations for the years ended December 31, 2005 and 2004 (amounts in thousands, except sales volumes).

	HOME SALES OPERATIONS			
	2005	2004	VARIANCE	% CHANGE
Gross revenues from new home sales	$ 62,664	$ 43,324	$ 19,340	44.6%
Cost of new home sales	(53,899)	(38,067)	(15,832)	(41.6%)
Gross profit from new home sales	8,765	5,257	3,508	66.7%
Gross revenues from used home sales ...	3,350	4,080	(730)	(17.9%)
Cost of used home sales	(3,572)	(3,510)	(62)	(1.8%)
Gross profit from used home sales	(222)	570	(792)	(138.9%)
Brokered resale revenues, net	2,714	2,176	538	24.7%
Home selling expenses	(8,838)	(8,630)	(208)	(2.4%)
Ancillary services revenues, net	3,864	2,743	1,121	40.9%
Income from home sales operations	$ 6,283	$ 2,116	$ 4,167	196.9%
HOME SALES VOLUMES:				
New home sales (1)	771	514	257	50.0%
Used home sales	271	341	(70)	(20.5%)
Brokered home resales	1,526	1,415	111	7.8%

(1) Includes third party home sales of 84 and 0 for the years ended December 31, 2005 and 2004, respectively.

New home sales gross profit reflects a 50% increase in sales volume combined with an increase in average selling price of approximately $7,000 per home or approximately 8%. Used home sales gross profit reflects lower gross margin per home and lower volumes. Brokered resale revenues reflect increased resale volumes. Home selling expenses had a modest increase of 2.4%. The increase in ancillary service revenue relates primarily to income from property amenities at our 2004 acquisition Properties owned in 2005 for the full year.

OTHER INCOME AND EXPENSES

The following table summarizes other income and expenses for the years ended December 31, 2005 and 2004 (amounts in thousands).

	2005	2004	VARIANCE	% CHANGE
Interest income	$ 1,406	$ 1,391	$ 15	1.1%
Income from other investments, net ...	16,609	3,475	13,134	378.0%
General and administrative	(13,624)	(9,243)	(4,381)	47.4%
Rent control initiatives	(1,081)	(2,412)	1,331	(55.2%)
Interest and related amortization	(100,832)	(90,970)	(9,862)	10.8%
Loss on early debt retirement	(20,630)	--	(20,630)	--
Depreciation on corporate assets	(804)	(1,657)	853	(51.5%)
Depreciation on real estate assets ...	(55,689)	(47,541)	(8,148)	17.1%
Total other expenses, net	$(174,645)	$(146,957)	$(27,688)	18.8%

The increase in other expense of approximately $28 million relates to the following: approximately $20.6 million for transaction costs on early debt retirement related to refinancings in 2005 (see Note 8 of the Notes to the Consolidated Financial Statements contained in this Form 10-K); an increase in interest expense of approximately $10 million related to the full year effect in 2005 of our 2004 acquisition debt and additional 2005 acquisition debt; and increased general and administrative expense of $4.5 million due to increased payroll, legal, recruiting and travel costs. Depreciation on real estate increased $8.1 million relating to the full year effect in 2005 of our 2004 acquisitions. These are partially offset by increased income from other investments that includes approximately $16.1 million of lease income from the Thousand Trails ground lease entered into on November 10, 2004.

RESULTS OF OPERATIONS (CONTINUED)

EQUITY IN INCOME OF UNCONSOLIDATED JOINT VENTURES

During 2005, we received distributions from three joint ventures relating to debt refinancings by the venture. Two of these distributions exceeded the Company's basis and therefore were included in the income from unconsolidated joint ventures. Our 2005 acquisitions and the full year effect of our 2004 acquisitions also contributed to the increase.

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

The following table summarizes certain financial and statistical data for the Property Operations for all Properties owned throughout both periods ("Core Portfolio") and the Total Portfolio for the years ended December 31, 2004 and 2003 (amounts in thousands).

	CORE PORTFOLIO				TOTAL PORTFOLIO			
	2004	2003	INCREASE / (DECREASE)	% CHANGE	2004	2003	INCREASE / (DECREASE)	% CHANGE
Community base rental income	$196,537	$190,169	$6,368	3.3%	$204,190	$189,915	$14,275	7.5%
Resort base rental income	12,578	11,491	1,087	9.5%	54,841	11,779	43,062	365.6%
Utility and other income	19,845	19,409	436	2.2%	24,278	19,411	4,867	25.1%
Property operating revenues	228,960	221,069	7,891	3.6%	283,309	221,105	62,204	28.1%
Property operating and maintenance	64,950	61,933	3,017	4.9%	92,121	61,945	30,176	48.7%
Real estate taxes	18,987	18,009	978	5.4%	22,723	18,011	4,712	26.2%
Property management	9,514	9,372	142	1.5%	12,852	9,373	3,479	37.1%
Property operating expenses	93,451	89,314	4,137	4.6%	127,696	89,329	38,367	43.0%
Income from property operations ...	$135,509	$131,755	$3,754	2.8%	$155,613	$131,776	$23,837	18.1%

PROPERTY OPERATING REVENUES

The 3.6% increase in the Core Portfolio property operating revenues reflects a 4.7% increase in rates for our community base rental income combined with a 1.1% decrease in occupancy. An increase in utility and other income for the Core Portfolio is due primarily to increases in utility income, which resulted from higher utility expenses. Total Portfolio operating revenues increased due to acquisitions (see Note 5 of the Notes to Consolidated Financial Statements contained in this Form 10-K).

PROPERTY OPERATING EXPENSES

The 4.9% increase in property operating and maintenance expense for the Core Portfolio is due primarily to increases in payroll expense, administrative expense, and repair and maintenance expense. The 5.4% increase in Core Portfolio real estate taxes is generally due to higher property assessments on certain Properties. Property management expense for the Core Portfolio, which reflects costs of managing the Properties and is estimated based on a percentage of Property operating revenues increased mainly due to payroll and computer costs, but remains at approximately 4% of revenue. Total Portfolio operating expenses increased due to 2004 acquisitions.

RESULTS OF OPERATIONS (CONTINUED)

HOME SALES OPERATIONS

The following table summarizes certain financial and statistical data for the Home Sales Operations for the years ended December 31, 2004 and 2003 (amounts in thousands, except sales volumes).

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

New home sales gross profit reflects a 12.2% increase in sales volume combined with an increase in average selling price of approximately $11,000 per home or approximately 15% due to higher quality of homes. Used home sales gross profit reflects a decrease in gross margin per home offset by an increase in volume. Brokered resale revenues reflect increased resale volumes. The 18.4% increase in home selling expenses primarily reflects increases in insurance costs. The increase in ancillary service revenue relates primarily to income from property amenities at Properties acquired in 2004.

OTHER INCOME AND EXPENSES

The following table summarizes other income and expenses for the years ended December 31, 2004 and 2003 (amounts in thousands).

	2004	2003	VARIANCE	% CHANGE
Interest income	$ 1,391	$ 1,695	$ (304)	(17.9%)
Income from other investments, net ..	3,475	956	2,519	263.5%
General and administrative	(9,243)	(8,060)	(1,183)	14.7%
Rent control initiatives	(2,412)	(2,352)	(60)	2.6%
Interest and related amortization ...	(90,970)	(58,206)	(32,764)	56.3%
Loss on early debt retirement	--	--	--	--
Depreciation on corporate assets	(1,657)	(1,240)	(417)	33.6%
Depreciation on real estate assets ..	(47,541)	(35,924)	(11,617)	32.3%
Total other expenses, net	$(146,957)	$(103,131)	$(43,826)	42.5%

The increase in other expenses of approximately $44 million reflects an increase in interest expense of $33 million resulting from the Recap borrowing in October 2003 (see Note 8 of the Notes to Consolidated Financial Statements contained in this Form 10-K) and additional debt assumed in the 2004 acquisitions, an increase in depreciation on real estate assets of $12 million related to the 2004 acquisitions, and increased general and administrative expense due to increased payroll. This is partially offset by income from other investments that includes $2.3 million of lease income from the Thousand Trails ground lease entered into on November 10, 2004.

RESULTS OF OPERATIONS (CONTINUED)

EQUITY IN INCOME OF UNCONSOLIDATED JOINT VENTURES

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

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

As of December 31, 2005, the Company had $0.6 million in cash and cash equivalents and $122.3 million available on its lines of credit. The Company expects to meet its short-term liquidity requirements, including its distributions, generally through its working capital, net cash provided by operating activities and availability under the existing lines of credit. The Company expects to meet certain long-term liquidity requirements such as scheduled debt maturities, property acquisitions and capital improvements by long-term collateralized and uncollateralized borrowings including borrowings under its existing lines of credit and the issuance of debt securities or additional equity securities in the Company, in addition to net cash provided by operating activities. The table below summarizes cash flow activity for the twelve months ended December 31, 2005, 2004 and 2003 (amounts in thousands).

	FOR THE TWELVE MONTHS ENDED DECEMBER 31,		
	2005	2004	2003
Cash provided by operating activities	$ 90,326	$ 46,733	$ 75,163
Cash used in investing activities	(66,246)	(366,654)	(598)
Cash (used in) provided by financing activities	(28,775)	(514)	243,905
Net (decrease) increase in cash	$ (4,695)	$(320,435)	$ 318,470

OPERATING ACTIVITIES

Net cash provided by operating activities increased $43.6 million for the year ended December 31, 2005. This increase reflects increases in property operating income as discussed in "Results of Operations" above and a decrease in working capital. Net cash provided by operating activities decreased $28.4 million for the year ended December 31, 2004 from $75.2 million in 2003. This decrease reflects increased interest expense as a result of the Recap in October 2003 and increases in working capital, partially offset by increases in property operating income as discussed in "Results of Operations" above.

INVESTING ACTIVITIES

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

ACQUISITIONS

During the year ended December 31, 2005, we acquired seven Properties (see Note 5 of the Notes to Consolidated Financial Statements contained in this Form 10-K). The combined real estate investment in these Properties was approximately $89.9 million and was funded with money drawn from our lines of credit and debt assumed of $53.5 million. We also assumed approximately $5.4 million in escrow deposits and $4.0 million of rents received in advance as a result of these acquisitions. Certain purchase price adjustments may be made within one year following the acquisitions.

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

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

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

We continue to look at acquiring additional assets and are at various stages of negotiations with respect to potential acquisitions. Funding is expected to be provided by either proceeds from potential dispositions, lines of credit draws, or other financing.

DISPOSITIONS

During the year ended December 31, 2005, we sold one Property located in Cedar Rapids, Iowa for a selling price of $6.7 million. Net proceeds of $6.3 million were used to repay amounts on our lines of credit. A gain on sale of approximately $2.3 million was recorded during the fourth quarter of 2005.

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

During the year ended December 31, 2003, we sold three Properties for proceeds of $27.1 million and a gain of $10.8 million. Proceeds from the sales were used to repay amounts on our line of credit.

We currently have six all-age Properties held for disposition and are in various stages of negotiations for sale. We plan to reinvest the sale proceeds or reduce outstanding lines of credit.

The operating results of all properties sold or held for disposition have been reflected in the discontinued operations of the Consolidated Statements of Operations contained in this Form 10-K.

INVESTMENTS IN AND DISTRIBUTIONS FROM JOINT VENTURES AND OTHER INVESTMENTS

During the year ended December 31, 2005, the Company invested approximately $7.0 million for a 50% preferred joint venture interest in three Properties located near Bar Harbor, Maine. The Company also invested approximately $0.6 million for a 40% interest in a Texas Property owned by a joint venture controlled by Diversified Investments, Inc.

During the year ended December 31, 2004, the Company invested approximately $29.7 million in preferred equity interests in six entities controlled by Diversified. These entities own in the aggregate 11 Properties, containing 5,054 sites. Approximately $11.7 million of the Mezzanine Investment accrues at a per annum average rate of 10%, with a minimum pay rate of 6.5% per annum, payable quarterly, and approximately $17.9 million of the Mezzanine Investment accrues at a per annum average rate of 11%, with a minimum pay rate of 7% per annum, payable quarterly. To the extent the minimum pay rates on the respective Mezzanine Investments are not achieved, the accrual rates increase to 12% and 13% per annum, respectively. In addition, the Company invested approximately $1.4 million in the Diversified entities managing these 11 Properties, which is included in prepaid expenses and other assets on the Company's Consolidated Balance Sheet as of December 31, 2005.

During the year ended December 31, 2004, the Company invested approximately $4.1 million in 11 joint ventures controlled by Diversified. In addition, the Company recorded approximately $6.5 million, $3.7 million and $0.3 million of net income from joint ventures, net of $2.0 million, $1.2 million and $0.8 million of depreciation in the years ended December 31, 2005, 2004 and 2003, respectively. The Company received approximately $11.3 million, $5.2 million and $0.8 million in distributions from such joint ventures for the years ended December 31, 2005, 2004 and 2003, respectively. For the years ended December 31, 2005 and 2004, $2.2 million and $0.5 million exceeded the Company's basis and thus was recorded in income from unconsolidated joint ventures. Due to the Company's inability to control the joint ventures, the Company accounts for its investment in the joint ventures using the equity method of accounting.

CAPITAL IMPROVEMENTS

Capital expenditures for improvements are identified by the Company as recurring capital expenditures ("Recurring CapEx"), site development costs and corporate costs. Recurring CapEx was approximately $15.9 million, $13.7 million and $11.9 million for the years ended December 31, 2005, 2004 and 2003, respectively. Included in Recurring CapEx for 2005 is approximately $3.4 million of costs incurred to replace hurricane damaged assets. Site development costs were approximately $16.2 million, $13.0 million and $9.0 million for the years ended December 31, 2005, 2004 and 2003, respectively, and represent costs to develop expansion sites at certain of the Company's Properties and costs for improvements to sites when a smaller used home is replaced with a larger new home. Corporate costs such as computer hardware, office furniture and office improvements and expansion were $0.8 million, $0.4 million and $0.1 million for the years ended December 31, 2005, 2004 and 2003, respectively.

FINANCING ACTIVITIES

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

MORTGAGES AND CREDIT FACILITIES

FINANCING, REFINANCING AND EARLY DEBT RETIREMENT

During the third quarter of 2005, the Company refinanced two mortgage loans for proceeds of $34 million at an interest rate of 4.95% per annum. Net proceeds were used to pay down approximately $20 million in other secured financing maturing in 2006.

On December 2, 2005, the Company refinanced approximately $293 million of secured debt maturing in 2007 with an effective interest rate of 6.8% per annum. This debt was secured by two cross-collateralized loan pools consisting of 35 Properties. The transaction generated approximately $337 million in proceeds from loans secured by individual mortgages on 20 Properties. The blended interest rate on the refinancing was approximately 5.3% per annum and the loans mature in 2015. Transaction costs were approximately $20.0 million ($0.67 per fully diluted share) and are classified as early debt retirement on the Consolidated Statements of Operations. The remaining excess proceeds were used to repay outstanding amounts on our lines of credit. This transaction strengthens the Company's balance sheet by extending its weighted average years to maturity by approximately two years.

During the third quarter of 2005, in connection with its acquisitions, the Company assumed mortgages of approximately $53.5 million at a weighted average interest rate of approximately 5.9% per annum.

In 2004, the Company assumed mortgage and other debt relating to acquisitions of approximately $157 million, which was recorded at fair market value with the related premium being amortized over the life of the loan using the effective interest rate. The Company borrowed an additional $194 million of mortgage debt for other acquisitions. The mortgages bear interest at weighted average rates ranging from 5.14% to 5.81% per annum, and mature at various dates through November 1, 2027. In addition, in connection with the Thousand Trails Transaction, we secured a $120 million three-year term loan at London Interbank Offered Rate ("LIBOR") plus 1.75%.

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

The Recap and subsequent borrowings in connection with acquisitions have significantly increased the Company's outstanding debt. The interest and principal payments required under these debt agreements materially increase the Company's future contractual payment obligations. In light of these increased cash flow requirements, the Company reduced its annual dividend to common stockholders from approximately $44 million in 2003 to $1 million in 2004 and to $2.5 million in 2005. In addition, the Company's cash from operations increased significantly from 2003 due to the cash generated by newly-acquired Properties. To the extent cash flow from the Properties does not meet the Company's expectations, the Company's Board of Directors increases the annual dividend significantly, or the Company is required to make significant unexpected capital improvements or other payments, the Company's financial flexibility and ability to meet scheduled obligations could be negatively impacted.

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

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

SECURED DEBT

As of December 31, 2005, our securitized long-term debt balance was approximately $1.5 billion, with a weighted average interest rate in 2005 of approximately 6.32% per annum. The debt bears interest at rates between 4.17% and 7.19% per annum and matures on various dates mainly ranging from 2007 to 2015. Included in our debt balance are three capital leases with an imputed interest rate of 11.6% per annum. We do not have any significant long-term debt maturing in 2006 or 2007 with $227 million being the maximum amount maturing in any of the succeeding 5 years beginning in 2008. The weighted average term to maturity for the long-term debt is approximately 7.3 years.

UNSECURED DEBT

We have two unsecured lines of credit of $110 million and $50 million which bear interest at a per annum rate of LIBOR plus 1.65%. Throughout the year ended December 31, 2005, we borrowed $175.3 million and paid down $253.4 million on our lines of credit. The weighted average interest rate in 2005 for our unsecured debt was approximately 5.02% per annum. The balance outstanding as of December 31, 2005 was $37.7 million. As of February 8, 2006, approximately $146.4 million is available to be drawn on these combined lines of credit.

We have a $120 million three-year term loan at LIBOR plus 1.75%. Throughout the year ended December 31, 2005, we paid down $20 million of the term loan. The weighted average interest rate on this debt in 2005 was approximately 4.94% per annum. In December 2005, we fixed $100 million of this variable debt for one year with a weighted average per annum interest rate of 6.58% per annum.

OTHER LOANS

During 2005, the Company borrowed $2.4 million to finance its insurance premium payments. As of December 31, 2005, $230,000 remained outstanding. This loan has currently been paid off.

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

As of December 31, 2005, we were subject to certain contractual payment obligations as described in the table below (dollars in thousands):

CONTRACTUAL OBLIGATIONS	TOTAL	2006(2)	2007(3)	2008	2009	2010	THEREAFTER
Long Term Borrowings (1).......	$1,631,466	$53,622	$135,395	$201,605	$75,049	$227,340	$938,455
Weighted average interest rates.......	6.07%	6.09%	6.23%	5.65%	6.94%	7.17%	5.81%

(1) Balance excludes net premiums and discounts of $6.9 million.

(2) Includes lines of credit repayments in 2006 of $37.7 million. We have an option to extend this maturity for one year to 2007.

(3) Includes a Term Loan repayment in 2007 of $100 million. We have an option to extend this maturity for two additional one-year terms to 2009.

Included in the above table are certain capital lease obligations totaling approximately $6.5 million. These agreements expire June 2009 and are paid semi-annually at an imputed interest rate of 11.6% per annum.

In addition, the Company has various contracts with vendors to perform services in the future for its operations. These contracts include terms for cancellation and are individually immaterial.

In addition, the Company leases land under non-cancelable operating leases at certain of the Properties expiring in various years from 2022 to 2032 with terms which require 12 equal payments per year plus additional rents calculated as a percentage of gross revenues. For the years ended December 31, 2005, 2004 and 2003, ground lease rent was approximately $1.6 million, $1.6 million and $1.5 million per year, respectively. Minimum future rental payments under the ground leases are approximately $1.6 million for each of the next five years and approximately $21.3 million thereafter.

With respect to maturing debt, the Company has staggered the maturities of our long-term mortgage debt over an average of approximately 7 years, with no more than $600 million in principal maturities coming due in any single year. The Company believes that it will be able to refinance its maturing debt obligations on a secured or unsecured basis; however, to the extent the Company is unable to refinance its debt as it matures, it believes that it will be able to repay such maturing debt from asset sales and/or the proceeds from equity issuances. With respect to any refinancing of maturing debt, the Company's future cash flow requirements could be impacted by significant changes in interest rates or other debt terms, including required amortization payments.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

EQUITY TRANSACTIONS

In order to qualify as a REIT for federal income tax purposes, the Company must distribute 90% or more of its taxable income (excluding capital gains) to its stockholders. The following distributions have been declared and paid to common stockholders and minority interests since January 1, 2003.

DISTRIBUTIONS PER SHARE	FOR THE QUARTER ENDING	STOCKHOLDER RECORD DATE	PAYMENT DATE
$0.4950	March 31, 2003	March 28, 2003	April 11, 2003
$0.4950	June 30, 2003	June 27, 2003	July 11, 2003
$0.4950	September 30, 2003	September 26, 2003	October 10, 2003
$ 8.00	December 31, 2003	January 8, 2004	January 16, 2004
$0.0125	March 31, 2004	March 26, 2004	April 9, 2004
$0.0125	June 30, 2004	June 25, 2004	July 9, 2004
$0.0125	September 30, 2004	September 24, 2004	October 8, 2004
$0.0125	December 31, 2004	December 31, 2004	January 14, 2005
$0.0250	March 31, 2005	March 25, 2005	April 8, 2005
$0.0250	June 30, 2005	June 24, 2005	July 8, 2005
$0.0250	September 30, 2005	September 30, 2005	October 14, 2005
$0.0250	December 31, 2005	December 30, 2005	January 13, 2006

2005 Activities

On November 1, 2005, the Company announced that in 2006 the annual distribution per common share will be $0.30 per share up from $0.10 per share in 2005 and $0.05 per share in 2004. This allows the Company to continue to take advantage of its financial flexibility while recognizing the importance of its dividend to its stockholders.

On March 24, 2005, the Operating Partnership issued $25 million of 8.0625% Series D Cumulative Redeemable Perpetual Preference Units (the "Series D 8% Units"), to institutional investors. The Series D 8% Units are non-callable for five years. In addition, the Operating Partnership had an existing $125 million of 9.0% Series D Cumulative Redeemable Perpetual Preference Units (the "Series D 9% Units") outstanding that were callable by the Company as of September 2004. In connection with the new issue, the Operating Partnership agreed to extend the non-call provision of the Series D 9% Units to be coterminous with the new issue, and the institutional investors holding the Series D 9% Units agreed to lower the rate on such units to 8.0625%. All of the units have no stated maturity or mandatory redemption. Net proceeds from the offering were used to pay down amounts outstanding under the Company's lines of credit.

On June 30, 2005, the Operating Partnership issued $50 million of 7.95% Series F Cumulative Redeemable Perpetual Preference Units (the "Series F Units"), to institutional investors. The Series F Units are non-callable for five years and have no stated maturity or mandatory redemption. Net proceeds from the offering were used to pay down amounts outstanding under the Company's lines of credit.

On March 24, 2005, the Operating Partnership paid distributions of 9.0% per annum on the $125 million of Series D 9% Units. For the seven days ended March 31, 2005 and the nine months thereafter, the Operating Partnership paid distributions of 8.0625% per annum on the $150 million Series D 8% Units. For the six months ended December 31, 2005 the Operating Partnership paid distributions of 7.95% per annum on the $50 million of Series F 7.95% Units. Distributions on the Preferred Units were paid quarterly on the last calendar day of each quarter.

2004 Activities

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

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

2003 Activities

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

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

INFLATION

Substantially all of the leases at the Properties allow for monthly or annual rent increases which provide us with the opportunity to achieve increases, where justified by the market, as each lease matures. Such types of leases generally minimize the risks of inflation to the Company. In addition, our resort Properties are not generally subject to leases and rents are established for these sites on an annual basis.

FUNDS FROM OPERATIONS

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

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

The following table presents a calculation of FFO for the years ended December 31, 2005, 2004 and 2003 (amounts in thousands):

	2005	2004	2003
COMPUTATION OF FUNDS FROM OPERATIONS:			
Net (loss) income available for Common Shares	$(2,333)	$ 4,026	$ 25,132
(Loss) income allocated to Common OP Units	(539)	936	6,004
Depreciation on real estate assets	55,689	47,541	35,924
Depreciation expense included in discontinued operations	329	1,353	1,476
Depreciation expense included in equity in income from joint ventures	1,960	1,230	769
Gain on sale of Properties	(2,279)	(638)	(10,826)
Funds from operations available for Common Shares	$52,827	$54,448	$ 58,479
Weighted average Common Shares outstanding - fully diluted ...	29,927	29,465	28,002

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss from adverse changes in market prices and interest rates. Our earnings, cash flows and fair values relevant to financial instruments are dependent on prevailing market interest rates. The primary market risk we face is long-term indebtedness, which bears interest at fixed and variable rates. The fair value of our long-term debt obligations is affected by changes in market interest rates. At December 31, 2005, approximately 98% or approximately $1.6 billion of our outstanding debt had fixed interest rates, which minimizes the market risk until the debt matures. For each increase in interest rates of 1% (or 100 basis points), the fair value of the total outstanding debt would decrease by approximately $105.2 million. For each decrease in interest rates of 1% (or 100 basis points), the fair value of the total outstanding debt would increase by approximately $112.7 million.

At December 31, 2005, approximately 2% or approximately $38 million of our outstanding debt was short-term and at variable rates. Earnings are affected by increases and decreases in market interest rates on this debt. For each increase/decrease in interest rates of 1% (or 100 basis points), our earnings would increase/decrease by approximately $0.4 million annually.

FORWARD-LOOKING STATEMENTS

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Index to Consolidated Financial Statements on page F-1 of this Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, maintains a system of disclosure controls and procedures, designed to provide reasonable assurance that information the Company is required to disclose in the reports that the Company files under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms.

The Company's management with the participation of the Chief Executive Officer and the Chief Financial Officer has evaluated the effectiveness of the Company's disclosure controls and procedures as of December 31, 2005. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level as of the end of the period covered by this annual report.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no material changes to the Company's internal controls over financial reporting during the fourth quarter.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on management's assessment, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

The Company's independent registered public accounting firm has issued an attestation report on management's assessment of the Company's internal control over financial reporting. That report appears on page F-2 of the Consolidated Financial Statements.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required to be set forth herein pursuant to Item 401 and Item 405 of Regulation S-K is contained under the captions "Election of Directors," "Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's definitive proxy statement for the Company's 2006 Annual Meeting of Stockholders to be held on May 3, 2006 (the "2006 Proxy Statement") and such information is incorporated herein by reference.

Information about our audit committee financial expert is incorporated herein by reference to our Proxy Statement for the 2006 Annual Meeting of Stockholders to be held on May 3, 2006.

In addition, the information required to be set forth herein pursuant to Item 406 of Regulation S-K is contained under the caption "Corporate Governance" in the 2006 Proxy Statement regarding the Company's written Guidelines on Corporate Governance and the Company's Business Ethics and Conduct Policy is incorporated herein by reference.

ITEMS 11, 12, 13 AND 14.

EXECUTIVE COMPENSATION, SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT, CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 11, Item 12, Item 13 and Item 14 will be contained in the 2006 Proxy Statement, and thus this Part has been omitted in accordance with General Instruction G(3) to Form 10-K.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENTS SCHEDULES

1. Financial Statements

See Index to Financial Statements and Schedules on page F-1 of this Form 10-K.

2. Financial Statement Schedules

See Index to Financial Statements and Schedules on page F-1 of this Form 10-K.

3. Exhibits:

2(a)	Admission Agreement between Equity Financial and Management Co., Manufactured Home Communities, Inc. and MHC Operating Partnership
3.1(g)	Amended and Restated Articles of Incorporation of Manufactured Home Communities, Inc. effective May 21, 1999
3.2(n)	Articles of Amendment of Articles of Incorporation of Manufactured Home Communities, Inc., effective May 13, 2003
3.3(m)	Articles of Amendment to Articles of Incorporation of Manufactured Home Communities, Inc., effective November 16, 2004
3.4(n)	Amended Bylaws of Manufactured Home Communities, Inc. dated December 31, 2003
3.5(o)	Amended and Restated Articles Supplementary of Equity LifeStyle Properties, Inc. effective March 16, 2005
3.6(o)	Articles Supplementary of Equity LifeStyle Properties, Inc. effective June 23, 2005
4	Not applicable
9	Not applicable
10.1(a)	Agreement of Limited Partnership of MHC Financing Limited Partnership
10.2(b)	Agreement of Limited Partnership of MHC Lending Limited Partnership
10.3(c)	Agreement of Limited Partnership of MHC-De Anza Financing Limited Partnership
10.4(d)	Second Amended and Restated MHC Operating Limited Partnership Agreement of Limited Partnership, dated March 15, 1996
10.5(q)	Amendment to Second Amended and Restated Agreement of Limited Partnership for MHC Operating Limited Partnership, dated February 27, 2004
10.6(f)	Agreement of Limited Partnership of MHC Financing Limited Partnership Two
10.7(a)	Revolving Credit Note made by Realty Systems, Inc. to Equity Financial and Management Co.
10.8(a)	Assignment to MHC Operating Limited Partnership of Revolving Credit Note made by Realty Systems, Inc. to Equity Financial and Management Co.
10.9(a)	Loan and Security Agreement between Realty Systems, Inc. and MHC Operating Limited Partnership
10.10(e)	Form of Manufactured Home Communities, Inc. 1997 Non-Qualified Employee Stock Purchase Plan
10.11(i)	Amended and Restated Manufactured Home Communities, Inc. 1992 Stock Option and Stock Award Plan effective March 23, 2001
10.12(h)	$110,000,000 Amended, Restated and Consolidated Promissory Note (DeAnza Mortgage) dated June 28, 2000
10.13(h)	$15,750,000 Promissory Note Secured by Leasehold Deed of Trust (Date Palm Mortgage) dated July 13, 2000
10.14(j)	$50,000,000 Promissory Note secured by Leasehold Deeds of Trust (Stagecoach Mortgage) dated December 2, 2001
10.15(k)	Loan Agreement dated October 17, 2003 between MHC Sunrise Heights, L.L.C., as Borrower, and Bank of America, N.A., as Lender
10.15.1(k)	Schedule identifying substantially identical agreements to Exhibit No. 10.16

10.16(k)	Form of Loan Agreement dated October 17, 2003 between MHC Countryside L.L.C., as Borrower, and Bank of America, N.A., as Lender
10.16.1(k)	Schedule identifying substantially identical agreements to Exhibit No. 10.17
10.17(k)	Form of Loan Agreement dated October 17, 2003 between MHC Creekside L.L.C., as Borrower, and Bank of America, N.A., as Lender
10.17.1(k)	Schedule identifying substantially identical agreements to Exhibit No. 10.18
10.18(k)	Form of Loan Agreement dated October 17, 2003 between MHC Golf Vista Estates L.L.C., as Borrowers, and Bank of America, N.A., as Lender
10.18.1(k)	Schedule identifying substantially identical agreements to Exhibit No. 10.19
10.19(l)	Agreement of Plan of Merger (Thousand Trails), dated August 2, 2004

ITEM 15. EXHIBITS AND FINANCIAL STATEMENTS SCHEDULES (CONTINUED)

10.20(l)	Amendment No. 1 to Agreement of Plan of Merger (Thousand Trails), dated September 30, 2004
10.21(l)	Amendment No. 2 to Agreement of Plan of Merger (Thousand Trails), dated November 9, 2004
10.22(l)	Thousand Trails Lease Agreement, dated November 10, 2004
10.23(l)	$120 million Term Loan Agreement dated November 10, 2004
10.24(l)	Fifth Amended and Restated Credit Agreement ($110 million Revolving Facility) dated November 10, 2004
10.25(l)	First Amended and Restated Loan Agreement ($50 million Revolving Facility) dated November 10, 2004
10.26(p)	Form of Loan Agreement dated December 1, 2005 between MHC Eldorado Village, L.L.C., as Borrower, and Bank of America, N.A., as Lender
10.26.1(p)	Form of Guarantee of Recourse Obligations of Borrower, dated December 1, 2005
10.26.2(p)	Schedule identifying substantially identical agreements to Exhibit 10.26 and 10.26.1
11	Not applicable
12(q)	Computation of Ratio of Earnings to Fixed Charges
13	Not applicable
14(q)	Equity LifeStyle Properties, Inc. Business Ethics and Conduct Policy, dated July 2005
15	Not applicable
16	Not applicable
17	Not applicable
18	Not applicable
19	Not applicable
20	Not applicable
21(q)	Subsidiaries of the registrant
22	Not applicable
23(q)	Consent of Independent Registered Public Accounting Firm
24.1(q)	Power of Attorney for Philip C. Calian dated February 17, 2006
24.2(q)	Power of Attorney for Howard Walker dated February 23, 2006
24.3(q)	Power of Attorney for Thomas E. Dobrowski dated February 23, 2006
24.4(q)	Power of Attorney for Gary Waterman dated February 20, 2006
24.5(q)	Power of Attorney for Donald S. Chisholm dated February 17, 2006
24.6(q)	Power of Attorney for Sheli Z. Rosenberg dated February 23, 2006
25	Not applicable
26	Not applicable
31.1(q)	Certification of Chief Financial Officer Pursuant To Section 302 of the Sarbanes-Oxley Act Of 2002
31.2(q)	Certification of Chief Executive Officer Pursuant To Section 302 of the Sarbanes-Oxley Act Of 2002
32.1(q)	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350
32.2(q)	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350

The following documents are incorporated herein by reference.

(a) Included as an exhibit to the Company's Form S-11 Registration Statement, File No. 33-55994

(b) Included as an exhibit to the Company's Report on Form 10-K dated December 31, 1993

(c) Included as an exhibit to the Company's Report on Form 10-K dated December 31, 1994

(d) Included as an exhibit to the Company's Report on Form 10-Q for the quarter ended June 30, 1996

(e) Included as Exhibit A to the Company's definitive Proxy Statement dated March 28, 1997, relating to Annual Meeting of Stockholders held on May 13, 1997

(f) Included as an exhibit to the Company's Report on Form 10-K dated December 31, 1997

(g) Included as an exhibit to the Company's Form S-3 Registration Statement, filed November 12, 1999 (SEC File No. 333-90813)

(h) Included as an exhibit to the Company's Report on Form 10-K dated December 31, 2000

(i) Included as Appendix A to the Company's Definitive Proxy Statement dated March 30, 2001

(j) Included as an exhibit to the Company's Report on Form 10-K dated December 31, 2002

(k) Included as an exhibit to the Company's Report on Form 10-K dated December 31, 2003

(l) Included as an exhibit to the Company's Report on Form 8-K dated November 16, 2004

(m) Included as an exhibit to the Company's Report on Form 8-K dated November 22, 2004

(n) Included as an exhibit to the Company's Report on Form 10-K dated December 31, 2004

(o) Included as an exhibit to the Company's Report on Form 10-Q dated June 30, 2005

(p) Included as an exhibit to the Company's Report on Form 8-K dated December 2, 2005

(q) Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EQUITY LIFESTYLE PROPERTIES, INC.,
a Maryland corporation

Date: March 2, 2006

By: /s/ Thomas P. Heneghan

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

Date: March 2, 2006

By: /s/ Michael B. Berman

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

EQUITY LIFESTYLE PROPERTIES, INC. - SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Thomas P. Heneghan Thomas P. Heneghan	President, Chief Executive Officer and Director *Attorney-in-Fact	March 2, 2006
/s/ Michael B. Berman Michael B. Berman	Executive Vice President and Chief Financial Officer *Attorney-in-Fact	March 2, 2006
/s/ Samuel Zell Samuel Zell	Chairman of the Board	March 2, 2006
*Sheli Z. Rosenberg Sheli Z. Rosenberg	Director	March 2, 2006
*Donald S. Chisholm Donald S. Chisholm	Director	March 2, 2006
*Thomas E. Dobrowski Thomas E. Dobrowski	Director	March 2, 2006
*Howard Walker Howard Walker	Vice-Chairman of the Board	March 2, 2006
*Philip C. Calian Philip C. Calian	Director	March 2, 2006
*Gary Waterman Gary Waterman	Director	March 2, 2006

INDEX TO FINANCIAL STATEMENTS

EQUITY LIFESTYLE PROPERTIES, INC.

Certain schedules have been omitted as they are not applicable to the Company.

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

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

We have audited management's assessment, included in the accompanying Report of Management on Internal Control over Financial Reporting in Item 9A, that Equity LifeStyle Properties, Inc. (Equity LifeStyle Properties) maintained effective internal control over financial reporting as of December 31, 2005 based on criteria established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Equity LifeStyle Properties' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of Equity LifeStyle Properties' internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Equity LifeStyle Properties maintained effective internal control over financial reporting as of December 31, 2005, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Equity LifeStyle Properties maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Equity LifeStyle Properties as of December 31, 2005 and 2004, and the related consolidated statements of operations, other comprehensive (loss) income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2005 of Equity LifeStyle Properties and our report dated February 23, 2006 expressed an unqualified opinion thereon.

ERNST & YOUNG LLP
Chicago, Illinois
February 23, 2006

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated balance sheets of Equity LifeStyle Properties, Inc. ("Equity LifeStyle Properties") as of December 31, 2005 and 2004, and the related consolidated statements of operations, other comprehensive (loss) income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2005. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and the schedules are the responsibility of Equity LifeStyle Properties' management. Our responsibility is to express an opinion on these financial statements and the schedules based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Equity LifeStyle Properties at December 31, 2005 and 2004, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2005, in conformity with United States generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Equity LifeStyle Properties' internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2006 expressed an unqualified opinion there on.

ERNST & YOUNG LLP
Chicago, Illinois
February 23, 2006

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2005 AND 2004
(AMOUNTS IN THOUSANDS)

	DECEMBER 31, 2005	DECEMBER 31, 2004
ASSETS		
Investment in real estate:		
Land	$ 493,213	$ 470,587
Land improvements	1,523,564	1,438,923
Buildings and other depreciable property	135,790	126,280
	2,152,567	2,035,790
Accumulated depreciation	(378,325)	(322,867)
Net investment in real estate	1,774,242	1,712,923
Cash and cash equivalents	610	5,305
Notes receivable	11,631	13,290
Investment in joint ventures	46,211	43,583
Rents receivable, net	1,619	1,469
Deferred financing costs, net	15,096	16,162
Inventory	59,412	50,654
Prepaid expenses and other assets	40,053	42,903
TOTAL ASSETS	$1,948,874	$1,886,289
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	$1,500,581	$1,417,251
Unsecured lines of credit	37,700	115,800
Unsecured term loan	100,000	120,000
Accounts payable and accrued expenses	31,508	36,146
Accrued interest payable	8,549	8,894
Rents received in advance and security deposits	27,868	21,135
Distributions payable	773	448
TOTAL LIABILITIES	1,706,979	1,719,674
Commitments and contingencies		
Minority interests - Common OP Units and other	9,379	9,771
Minority interests - Perpetual Preferred OP Units	200,000	125,000
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value 10,000,000 shares authorized; none issued	--	--
Common stock, $.01 par value 50,000,000 shares authorized; 23,295,956 and 22,937,192 shares issued and outstanding for 2005 and 2004, respectively	226	224
Paid-in capital	299,444	294,304
Deferred compensation	--	(166)
Distributions in excess of accumulated earnings	(267,154)	(262,518)
Total stockholders' equity	32,516	31,844
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$1,948,874	$1,886,289

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

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2005, 2004 AND 2003
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	2005	2004	2003
PROPERTY OPERATIONS:			
Community base rental income	$ 213,280	$ 204,190	$ 189,915
Resort base rental income	73,398	54,841	11,779
Utility and other income	27,210	24,278	19,411
Property operating revenues	313,888	283,309	221,105
Property operating and maintenance	104,150	92,121	61,945
Real estate taxes	24,688	22,723	18,011
Property management	15,919	12,852	9,373
Property operating expenses (exclusive of depreciation shown separately below)	144,757	127,696	89,329
Income from property operations	169,131	155,613	131,776
HOME SALES OPERATIONS:			
Gross revenues from inventory home sales	66,014	47,404	36,472
Cost of inventory home sales	(57,471)	(41,577)	(31,615)
Gross profit from inventory home sales	8,543	5,827	4,857
Brokered resale revenues, net	2,714	2,176	1,714
Home selling expenses	(8,838)	(8,630)	(7,287)
Ancillary services revenues, net	3,864	2,743	162
Income (loss) from home sales operations & other	6,283	2,116	(554)
OTHER INCOME (EXPENSES):			
Interest income	1,406	1,391	1,695
Income from other investments, net	16,609	3,475	956
General and administrative	(13,624)	(9,243)	(8,060)
Rent control initiatives	(1,081)	(2,412)	(2,352)
Interest and related amortization	(100,832)	(90,970)	(58,206)
Loss on early debt retirement	(20,630)	--	--
Depreciation on corporate assets	(804)	(1,657)	(1,240)
Depreciation on real estate assets	(55,689)	(47,541)	(35,924)
Total other expenses, net	(174,645)	(146,957)	(103,131)
Income before minority interests, equity in income of unconsolidated joint ventures, gain on sale of properties and discontinued operations	769	10,772	28,091
Income (loss) allocated to Common OP Units	731	(608)	(3,431)
Income allocated to Perpetual Preferred OP Units	(13,974)	(11,284)	(11,252)
Equity in income of unconsolidated joint ventures	6,508	3,739	340
(Loss) income before gain on sale of properties and discontinued operations	(5,966)	2,619	13,748
Gain on sale of properties	--	2	--
(Loss) income from continuing operations	(5,966)	2,621	13,748
DISCONTINUED OPERATIONS:			
Discontinued operations	1,875	2,450	4,607
Depreciation on discontinued operations	(329)	(1,353)	(1,476)
Gain on sale of discontinued real estate	2,279	636	10,826
Minority interests on discontinued operations	(192)	(328)	(2,573)
Income from discontinued operations	3,633	1,405	11,384
NET (LOSS) INCOME AVAILABLE FOR COMMON SHARES	$ (2,333)	$ 4,026	$ 25,132

The accompanying notes are an integral part of the financial statements

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2005, 2004 AND 2003
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	2005	2004	2003
EARNINGS PER COMMON SHARE - BASIC:			
(Loss) income from continuing operations	$ (0.26)	$ 0.12	$ 0.62
Income from discontinued operations	$ 0.16	$ 0.06	$ 0.52
Net (loss) income available for Common Shares	$ (0.10)	$ 0.18	$ 1.14
EARNINGS PER COMMON SHARE - FULLY DILUTED:			
(Loss) income from continuing operations	$ (0.26)	$ 0.11	$ 0.61
Income from discontinued operations	$ 0.16	$ 0.06	$ 0.50
Net (loss) income available for Common Shares	$ (0.10)	$ 0.17	$ 1.11
Distributions declared per Common Share outstanding	$ 0.10	$ 0.05	$ 9.485
Tax status of Common Shares distributions paid during the year:			
Ordinary income	$ 0.10	$ 1.05	$ 0.68
Long-term capital gain	$ --	$ 4.82	$ 0.57
Unrecaptured section 1250 gain	$ --	$ 2.17	$ 0.16
Return of capital	$ --	$ --	$ 0.55
Weighted average Common Shares outstanding - basic	23,081	22,849	22,077
Weighted average Common Shares outstanding - fully diluted	29,927	29,465	28,002

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE (LOSS) INCOME
FOR THE YEARS ENDED DECEMBER 31, 2005, 2004 AND 2003
(AMOUNTS IN THOUSANDS)

	2005	2004	2003
Net (loss) income available for Common Shares.....................	$(2,333)	$4,026	$25,132
Net unrealized holding gains on derivative instruments.........	--	--	4,498
Net other comprehensive (loss) income available for Common Shares	$(2,333)	$4,026	$29,630

The accompanying notes are an integral part of the financial statements

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2005, 2004 AND 2003
(AMOUNTS IN THOUSANDS)

	2005	2004	2003
PREFERRED STOCK, $01 PAR VALUE	$ --	$ --	$ --
COMMON STOCK, $01 PAR VALUE			
Balance, beginning of year	$ 224	$ 222	$ 218
Exercise of options	2	2	4
Balance, end of year	$ 226	$ 224	$ 222
PAID - IN CAPITAL			
Balance, beginning of year	$ 294,304	$ 263,066	$ 256,394
Conversion of OP Units to common stock	236	155	343
Issuance of common stock through exercise of options	2,785	3,058	6,323
Issuance of common stock through employee stock purchase plan	1,397	2,735	3,254
Compensation expense related to stock options and restricted stock	2,853	2,571	611
Repurchase of common stock	(692)	--	--
Issuance costs	(119)	--	--
Transition adjustment - FAS 123	--	--	(1,047)
Adjustment for Common OP Unitholders in the Operating Partnership	(1,320)	22,719	(2,812)
Balance, end of year	$ 299,444	$ 294,304	$ 263,066
DEFERRED COMPENSATION			
Balance, beginning of year	$ (166)	$ (494)	$ (3,069)
Issuance of common stock through restricted stock grants	--	--	--
Transition adjustment - FAS 123	--	--	1,047
Recognition of deferred compensation expense	166	328	1,528
Balance, end of year	$ (--)	$ (166)	$ (494)
EMPLOYEE NOTES			
Balance, beginning of year	$ --	$ --	$ (2,713)
Principal payments	--	--	2,713
Balance, end of year	$ --	$ --	$ --
DISTRIBUTIONS IN EXCESS OF ACCUMULATED COMPREHENSIVE EARNINGS			
Balance, beginning of year	$(262,518)	$(265,322)	$ (79,655)
Net (loss) income	(2,333)	4,026	25,132
Other comprehensive income:			
Unrealized holding gains on derivative instruments	--	--	4,498
Comprehensive (loss) income	(2,333)	4,026	29,630
Distributions	(2,303)	(1,222)	(215,297)
Balance, end of year	$(267,154)	$(262,518)	$(265,322)

The accompanying notes are an integral part of the financial statements

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005, 2004 AND 2003
(AMOUNTS IN THOUSANDS)

	2005	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	$ (2,333)	$ 4,026	$ 25,132
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Income allocated to minority interests	13,435	12,220	17,256
Early debt retirement	20,630	--	--
Gain on sale of Properties	(2,279)	(638)	(10,826)
Depreciation expense	58,782	51,703	39,403
Amortization expense	2,849	2,203	5,031
Debt premium amortization expense	(2,484)	(1,317)	--
Equity in income of unconsolidated joint ventures	(8,468)	(4,969)	(1,042)
Distributions from unconsolidated joint ventures	5,760	--	--
Amortization of deferred compensation	3,019	2,899	2,139
Hurricane asset write down	968	--	--
Increase in provision for uncollectible rents receivable	149	1,182	821
Decrease in provision for inventory impairment	(27)	--	--
(Decrease)/increase in provision for notes receivable	(169)	250	--
Changes in assets and liabilities:			
Rents receivable	(236)	281	(1,469)
Inventory	(8,521)	(17,855)	1,846
Prepaid expenses and other assets	1,610	(9,772)	(43)
Accounts payable and accrued expenses	4,882	5,713	(3,055)
Rents received in advance and security deposits	2,759	807	(30)
Net cash provided by operating activities	90,326	46,733	75,163
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of rental properties	(38,753)	(310,893)	(6,836)
Dispositions of rental properties	6,280	671	27,170
Joint Ventures and other:			
Investments in	(7,709)	(33,819)	--
Distributions from	5,557	6,177	1,535
Net repayment (funding) of notes receivable	1,306	(1,708)	(1,507)
Improvements:			
Improvements - corporate	(831)	(444)	(72)
Improvements - rental properties	(15,901)	(13,663)	(11,912)
Site development costs	(16,195)	(12,975)	(8,976)
Net cash used in investing activities	(66,246)	(366,654)	(598)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from stock options and employee stock purchase plan	4,183	6,221	9,581
Proceeds from issuance of Perpetual Preferred OP Units	75,000	--	--
Distributions to Common Stockholders, Common OP Unitholders, and Perpetual Preferred OP Unitholders	(16,632)	(237,074)	(65,687)
Stock repurchase and Unit redemption	(973)	--	--
Issuance costs	(119)	--	--
Collection of principal payments on employee notes	--	--	2,713
Lines of credit:			
Proceeds	175,300	135,800	53,000
Repayments	(253,400)	(20,000)	(137,750)
Acquisition financing	--	124,300	--
Term loan repayment	(20,000)	--	(100,000)
Principal payments	(340,699)	(8,848)	(50,230)
New financing proceeds	370,520	3,288	546,443
Early debt retirement costs	(18,250)	--	--
Debt issuance costs	(3,705)	(4,201)	(14,165)
Net cash (used in) provided by financing activities	(28,775)	(514)	243,905
Net (decrease) increase in cash and cash equivalents	(4,695)	(320,435)	318,470
Cash and cash equivalents, beginning of year	5,305	325,740	7,270
Cash and cash equivalents, end of year	$ 610	$ 5,305	$ 325,740

The accompanying notes are an integral part of the financial statements

EQUITY LIFESTYLE PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005, 2004 AND 2003
(AMOUNTS IN THOUSANDS)

	2005	2004	2003
SUPPLEMENTAL INFORMATION:			
Cash paid during the period for interest	$97,638	$ 88,883	$52,396
Non-cash investing and financing activities:			
Mortgage debt assumed on acquisition of real estate	53,517	347,300	4,600
Other assets and liabilities, net, acquired on acquisition of real estate	2,161	13,300	650
Issuance of operating partnership units in connection with the acquisition of Monte Vista	--	32,200	--
Loan to prepay insurance premiums	2,404	--	--
SERP termination	7,108	--	--

The accompanying notes are an integral part of the financial statements

NOTE 1 - ORGANIZATION OF THE COMPANY AND BASIS OF PRESENTATION

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

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

The operations of the Company are conducted primarily through the Operating Partnership. The Company contributed the proceeds from its initial public offering and subsequent offerings to the Operating Partnership for a general partnership interest. In 2004, the general partnership interest was contributed to MHC Trust (see Note 4). The financial results of the Operating Partnership and the Subsidiaries are consolidated in the Company's consolidated financial statements. In addition, since certain activities, if performed by the Company, may not be qualifying REIT activities under the Internal Revenue Code of 1986, as amended (the "Code"), the Company has formed taxable REIT subsidiaries as defined in the Code to engage in such activities.

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

The limited partners of the Operating Partnership (the "Common OP Unitholders") receive an allocation of net income which is based on their respective ownership percentage of the Operating Partnership which is shown on the Consolidated Financial Statements as Minority Interests - Common OP Units. As of December 31, 2005, the Minority Interests - Common OP Units represented 6,207,471 units of limited partnership interest ("OP Units") which are convertible into an equivalent number of shares of the Company's common stock. The issuance of additional shares of common stock or common OP Units changes the respective ownership of the Operating Partnership for both the Minority Interests and the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

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

The Company has applied the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46R, Consolidation of Variable Interest Entities ("FIN 46R") - an interpretation of ARB 51. The objective of FIN 46R is to provide guidance on how to identify a variable interest entity ("VIE") and determine when the assets, liabilities, non-controlling interests, and results of operations of a VIE need to be included in a company's consolidated financial statements. A company that holds variable interests in an entity will need to consolidate such entity if the company absorbs a majority of the entity's expected losses or receives a majority of the entity's expected residual returns if they occur, or both (i.e., the primary beneficiary). The Company has also applied Emerging Issues Task Force 04-5 - Accounting for investments in limited partnerships when the investor is the sole general partner and the limited partners have certain rights ("EITF 04-5") which determines whether a general partner or the general partners as a group controls a limited partnership or similar entity and therefore should consolidate the entity. The Company will apply FIN 46R and EITF 04-5 to all types of entity ownership (general and limited partnerships and corporate interests).

The Company applies the equity method of accounting to entities in which the Company does not have a controlling direct or indirect voting interest or is not considered the primary beneficiary, but can exercise influence over the entity with respect to its operations and major decisions. The cost method is applied when (i) the investment is minimal (typically less than 5%) and (ii) the Company's investment is passive.

(b) Use of Estimates

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

(c) Markets

We manage all our operations on a property-by-property basis. Since each Property has similar economic and operational characteristics, the Company has one reportable segment, which is the operation of land lease Properties. The distribution of the Properties throughout the United States reflects our belief that geographic diversification helps insulate the portfolio from regional economic influences. We intend to target new acquisitions in or near markets where the Properties are located and will also consider acquisitions of Properties outside such markets.

(d) Inventory

Inventory consists primarily of new and used Site Set homes and is stated at the lower of cost or market after consideration of the N.A.D.A. (National Automobile Dealers Association) Manufactured Housing Appraisal Guide and the current market value of each home included in the home inventory. Inventory sales revenues and resale revenues are recognized when the home sale is closed. Inventory is recorded net of an inventory reserve as of December 31, 2005 and December 31, 2004 of $580,000 and $600,000, respectively. Resale revenues are stated net of commissions paid to employees of $1.4 million and $1.2 million for the years ended December 31, 2005 and 2004, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Real Estate

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

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

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

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

(f) Cash and Cash Equivalents

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

(g) Notes Receivable

Notes receivable generally are stated at their outstanding unpaid principal balances net of any deferred fees or costs on originated loans, or unamortized discounts or premiums net of a valuation allowance. Interest income is accrued on the unpaid principal balance. Discounts or premiums are amortized to income using the interest method. In certain cases we finance the sales of homes to our customers (referred to as "Chattel Loans") which loans are secured by the homes. The valuation allowance for the Chattel Loans is calculated based on a comparison of the outstanding principal balance of each note compared to the N.A.D.A. value and the current market value of the underlying manufactured home collateral. These notes are recorded net of allowances of $81,000 and $250,000 as of December 31, 2005 and December 31, 2004, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Investments in Joint Ventures

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

In applying the provisions of FIN 46R (see Basis of Consolidation, above), the Company determined that its Mezzanine Investment (as hereinafter defined) is a VIE; however, the Company concluded that it is not the primary beneficiary.

(i) Income from Other Investments, net

On November 10, 2004, the Company entered into a 15 year operating lease with Thousand Trails Operations Holding Company, L.P. ("TT") with monthly payments equating to $16 million per year with annual increases of 3.25%. Under applicable accounting pronouncements, revenue under the lease is generally recognized on a straight-line basis taking into account fixed escalations required under the term of the lease. The annual straight-line revenue is approximately $20 million. The excess of straight-line revenue over the cash payment received was approximately $4.0 million for the year ended December 31, 2005. The Company has deferred and not recognized the excess of the straight-line revenue over the cash payments received under the lease due to the following: (1) the cash payments under the lease do not exceed straight-line revenue until the ninth year of the lease term, (2) the current owner of the operating business may not be a long-term owner of the TT business, and (3) certain portions of the lessee's business operations are dependent upon sales of new memberships and upgrades of existing memberships which can be volatile year to year. To the extent any of the conditions noted herein change, the Company may recognize previously deferred amounts.

(j) Insurance Claims

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

Approximately 70 Florida Properties suffered damage from the four hurricanes that struck the state during August and September 2004. As of February 23, 2006, approximately $19.4 million of claims, including business interruption, have been submitted to our insurance companies for reimbursement. As of December 31, 2005, the Company has made total expenditures of approximately $11.9 million and expects to incur additional expenditures to complete the work necessary to restore our Properties to their pre-hurricanes condition. The Company has received proceeds from insurance carriers of approximately $2.6 million as of December 31, 2005. The Company has reserved approximately $2.0 million related to these expenditures ($0.7 million in 2005 and $1.3 million in 2004). Approximately $3.4 million of these expenditures have been capitalized per the Company's capitalization policy as of December 31, 2005. Approximately $3.9 million is included in other assets as a receivable from insurance providers as of December 31, 2005, and approximately $5.9 million was included in other assets as of December 31, 2004.

In 2005, the Company reduced the book value of its assets by approximately $1.0 million due to damage caused by the 2004 storms. The Company received insurance proceeds of approximately $0.8 million relating to other matters. Both of these items were recorded in income from other investments, net.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

During the fourth quarter of 2005 the Company spent approximately $1.3 million on Properties located in South Florida impacted by Hurricane Wilma to get them operationally ready for the season. This amount has been charged to operations in 2005. The Company is still evaluating the total costs it expects to incur and is preparing its insurance claim.

(k) Fair Value of Financial Instruments

The Company's financial instruments include short-term investments, notes receivable, accounts receivable, accounts payable, other accrued expenses, and mortgage notes payable. The fair values of all financial instruments, including notes receivable, were not materially different from their carrying values at December 31, 2005 and 2004.

(l) Deferred Financing Costs

Deferred financing costs include fees and costs incurred to obtain long-term financing. The costs are being amortized over the terms of the respective loans on a level yield basis. Unamortized deferred financing fees are written-off when debt is retired before the maturity date. Upon amendment of the line of credit, unamortized deferred financing fees are accounted for in accordance with EITF No. 98-14, Debtor's Accounting for Changes in Line-of-Credit or Revolving-Debt Arrangements. Accumulated amortization for such costs was $6.6 million and $4.9 million at December 31, 2005 and 2004, respectively.

(m) Revenue Recognition

The Company accounts for leases with its customers as operating leases. Rental income is recognized over the term of the respective lease or the length of a customer's stay, the majority of which are for a term of not greater than one year. We will reserve for receivables when we believe the ultimate collection is less than probable. Our provision for uncollectable rents receivable was approximately $1.2 million as of December 31, 2005 and $1.0 million as of December 31, 2004. Income from home sales is recognized when the earnings process is complete. The earnings process is complete when the home has been delivered, the purchaser has accepted the home and title has transferred.

(n) Minority Interests

Net income is allocated to Common OP Unitholders based on their respective ownership percentage of the Operating Partnership. An ownership percentage is represented by dividing the number of common OP Units held by the Common OP Unitholders (6,207,471 and 6,340,805 at December 31, 2005 and 2004, respectively) by OP Units and shares of common stock outstanding. Issuance of additional shares of common stock or common OP Units changes the percentage ownership of both the Minority Interests and the Company. Due in part to the exchange rights (which provide for the conversion of common OP Units into shares of common stock on a one-for-one basis), such transactions and the proceeds there from are treated as capital transactions and result in an allocation between stockholders' equity and Minority Interests to account for the change in the respective percentage ownership of the underlying equity of the Operating Partnership.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income Taxes

Due to the structure of the Company as a REIT, the results of operations contain no provision for federal income taxes. However, the Company may be subject to certain foreign, state and local income, excise or franchise taxes. The Company paid foreign, state and local taxes of approximately $196,000 and $88,000 during the years ended December 31, 2005 and 2004, respectively, which includes taxes payable from non-REIT activities managed through taxable REIT subsidiaries. As of December 31, 2005, net investment in real estate and notes receivable had a federal tax basis of approximately $1,403 million and $11.6 million, respectively.

(p) Derivative Instruments and Hedging Activities

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

(q) Stock Compensation

The Company adopted the fair-value-based method of accounting for share-based payments effective January 1, 2003 using the modified prospective method described in FASB Statement No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure. The Company adopted Statement of Financial Accounting Standards No. 123(R), ("SFAS 123(R)") "Share Based Payment" on July 1, 2005 which did not have a material impact on the Company's results of operations or its financial position. The Company uses the Black-Scholes-Merton formula to estimate the value of stock options granted to employees (see Note 12).

NOTE 3 - EARNINGS PER COMMON SHARE

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

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31, 2005, 2004 and 2003 (amounts in thousands):

	YEARS ENDED DECEMBER 31,		
	2005	2004	2003
NUMERATORS:			
(LOSS) INCOME FROM CONTINUING OPERATIONS:			
(Loss) income from continuing operations - basic	$(5,966)	$ 2,621	$13,748
Amounts allocated to dilutive securities	(731)	608	3,431
(Loss) income from continuing operations - fully diluted	$(6,697)	$ 3,229	$17,179
INCOME FROM DISCONTINUED OPERATIONS:			
Income from discontinued operations - basic	$ 3,633	$ 1,405	$11,384
Amounts allocated to dilutive securities	192	328	2,573
Income from discontinued operations - fully diluted	$ 3,825	$ 1,733	$13,957
NET (LOSS) INCOME AVAILABLE FOR COMMON SHARES:			
Net (loss) income available for Common Shares - basic	$(2,333)	$ 4,026	$25,132
Amounts allocated to dilutive securities	(539)	936	6,004
Net (loss) income available for Common Shares - fully diluted	$(2,872)	$ 4,962	$31,136
DENOMINATOR:			
Weighted average Common Shares outstanding - basic	23,081	22,849	22,077
Effect of dilutive securities:			
Redemption of Common OP Units for Common Shares	6,285	6,067	5,342
Employee stock options and restricted shares	--	549	583
Weighted average Common Shares outstanding - fully diluted	29,366	29,465	28,002

NOTE 4 - COMMON STOCK AND OTHER EQUITY RELATED TRANSACTIONS

The following table presents the changes in the Company's outstanding common stock for the years ended December 31, 2005, 2004 and 2003 (excluding OP Units of 6,207,471, 6,340,805 and 5,312,387 outstanding at December 31, 2005, 2004 and 2003, respectively):

	2005	2004	2003
Shares outstanding at January 1,	22,937,192	22,563,348	22,093,240
Common stock issued through conversion of OP Units	133,334	95,769	47,540
Common stock issued through exercise of options	187,822	196,834	302,526
Common stock issued through stock grants	--	--	35,000
Common stock issued through Employee Stock Purchase Plan	37,608	81,241	85,042
Common stock repurchased and retired	--	--	--
Shares outstanding at December 31,	23,295,956	22,937,192	22,563,348

As of December 31, 2005 and 2004, the Company's percentage ownership of the Operating Partnership was approximately 79.1% and 78.5%, respectively. The remaining approximately 20.9% and 21.5%, respectively, was owned by the Common OP Unitholders.

On March 24, 2005, the Operating Partnership issued $25 million of 8.0625% Series D Cumulative Redeemable Perpetual Preference Units (the "Series D 8% Units"), to institutional investors. The Series D 8% Units are non-callable for five years. In addition, the Operating Partnership had an existing $125 million of 9.0% Series D Cumulative Redeemable Perpetual Preference Units (the "Series D 9% Units") outstanding that were callable by the Company as of September 2004. In connection with the new issue, the Operating Partnership agreed to extend the non-call provision of the Series D 9% Units to be coterminous with the new issue, and the institutional investors holding the Series D 9% Units agreed to lower the rate on such units to 8.0625%. All of the units have no stated maturity or mandatory redemption. Net proceeds from the offering were used to pay down amounts outstanding under the Company's lines of credit.

On June 30, 2005, the Operating Partnership issued $50 million of 7.95% Series F Cumulative Redeemable Perpetual Preference Units (the "Series F Units"), to institutional investors. The Series F Units are non-callable for five years and have no stated maturity or mandatory redemption. Net proceeds from the offering were used to pay down amounts outstanding under the Company's lines of credit.

The following distributions have been declared and paid to common stockholders and Minority Interests since January 1, 2003:

DISTRIBUTION AMOUNT PER SHARE	FOR THE QUARTER ENDING	SHAREHOLDER RECORD DATE	PAYMENT DATE
$0.4950	March 31, 2003	March 28, 2003	April 11, 2003
$0.4950	June 30, 2003	June 27, 2003	July 11, 2003
$0.4950	September 30, 2003	September 26, 2003	October 10, 2003
$ 8.00	December 31, 2003	January 8, 2004	January 16, 2004
$0.0125	March 31, 2004	March 26, 2004	April 9, 2004
$0.0125	June 30, 2004	June 25, 2004	July 9, 2004
$0.0125	September 30, 2004	September 24, 2004	October 8, 2004
$0.0125	December 31, 2004	December 31, 2004	January 14, 2005
$0.0250	March 31, 2005	March 25, 2005	April 8, 2005
$0.0250	June 30, 2005	June 24, 2005	July 8, 2005
$0.0250	September 30, 2005	September 30, 2005	October 14, 2005
$0.0250	December 31, 2005	December 30, 2005	January 13, 2006

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

NOTE 4 - COMMON STOCK AND OTHER EQUITY RELATED TRANSACTIONS (CONTINUED)

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

The Company adopted, effective July 1, 1997, the 1997 Non-Qualified Employee Stock Purchase Plan ("ESPP"). Pursuant to the ESPP, certain employees and directors of the Company may each annually acquire up to $250,000 of common stock of the Company. The aggregate number of shares of common stock available under the ESPP shall not exceed 1,000,000, subject to adjustment by the Company's Board of Directors. The common stock may be purchased monthly at a price equal to 85% of the lesser of: (a) the closing price for a share of common stock on the last day of the offering period; and (b) the closing price for a share of common stock on the first day of the offering period. Shares of common stock issued through the ESPP for the years ended December 31, 2005 and 2004 were 37,122 and 80,955, respectively.

NOTE 5- INVESTMENT IN REAL ESTATE

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

Properties Held for Long Term	DECEMBER 31, 2005	DECEMBER 31, 2004
Investment in real estate:		
Land	$ 486,299	$ 462,619
Land improvements	1,494,427	1,406,246
Buildings and other depreciable property	134,187	124,357
	2,114,913	1,993,222
Accumulated depreciation	(365,688)	(309,277)
Net investment in real estate	$1,749,225	$1,683,945

Properties Held for Sale	DECEMBER 31, 2005	DECEMBER 31, 2004
Investment in real estate:		
Land	$ 6,914	$ 7,968
Land improvements	29,137	32,677
Buildings and other depreciable property	1,603	1,923
	37,654	42,568
Accumulated depreciation	(12,637)	(13,590)
Net investment in real estate	$ 25,017	$ 28,978

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

NOTE 5 - INVESTMENT IN REAL ESTATE (CONTINUED)

All acquisitions have been accounted for utilizing the purchase method of accounting and, accordingly, the results of operations of acquired assets are included in the statements of operations from the dates of acquisition. Certain purchase price adjustments may be made within one year following the acquisitions. We acquired all of these Properties from unaffiliated third parties. During the three years ended December 31, 2005, the Company acquired the following Properties (amounts in millions, except site information):

1) During the year ended December 31, 2005, we acquired the following Properties:

CLOSING DATE	PROPERTY	LOCATION	TOTAL SITES	REAL ESTATE	DEBT	NET EQUITY
June 20, 2005	San Francisco RV	Pacifica, CA	182	$ 6.6	$ --	$ 6.6
August 12, 2005	Morgan Portfolio	Various (5 Properties)	2,929	69.1	53.5	15.6
September 15, 2005	Lake George Escape	Lake George, NY	576	14.2	--	14.2

The combined real estate investment in these Properties was approximately $89.9 million and was funded with money drawn from our lines of credit and debt assumed of $53.5 million. We also assumed approximately $5.4 million in escrow deposits and $4.0 million of rents received in advance as a result of these acquisitions.

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

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

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

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

In connection with the 2004 acquisitions and not reflected in the table above the Company acquired inventory of approximately $1.2 million, other assets of $4.9 million, rents received in advance of approximately $13.6 million and other liabilities of approximately $5.8 million. The Company also issued common OP Units for value of approximately $32.2 million.

NOTE 5 - INVESTMENT IN REAL ESTATE (CONTINUED)

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

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

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

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

As of March 31, 2005, the Company designated seven Properties as held for disposition pursuant to SFAS No. 144. The Company determined that these Properties no longer met its investment criteria. The Company expects to sell these Properties within 12 months for proceeds greater than their net book value. As such, the results from operations of these Properties have been classified as income from discontinued operations. On November 10, 2005 one property, Five Seasons in Cedar Rapids, Iowa was sold. The six remaining Properties classified as held for disposition are listed in the table below.

Property	Location	Sites
Casa Village..........	Billings, MT	490
Creekside.............	Wyoming, MI	165
Del Rey...............	Albuquerque, NM	407
Forest Oaks...........	Chesterton, IN	227
Holiday Village.......	Sioux City, IA	519
Windsong..............	Indianapolis, IN	268

The following table summarizes the combined results of operations of Properties held for sale or sold during the years ended December 31, 2005, 2004 and 2003 (amounts in thousands):

	2005	2004	2003
Rental income..	$ 5,855	$ 6,785	$ 8,670
Utility and other income.............................	560	642	760
Property operating revenues.......................	6,415	7,427	9,430
Property operating expenses..........................	3,573	3,929	4,607
Income from property operations...................	2,842	3,498	4,823
(Loss) income from home sales operations and other...	(17)	(52)	(22)
Interest...	(916)	(961)	(191)
Amortization...	(34)	(34)	(5)
Depreciation...	(329)	(1,353)	(1,474)
Total other expenses..............................	(1,279)	(2,348)	(1,670)
Gain on sale...	2,279	636	10,826
Minority interest....................................	(192)	(328)	(2,573)
Net income...	$ 3,633	$ 1,405	$11,384

NOTE 5 - INVESTMENT IN REAL ESTATE (CONTINUED)

During the three years ended December 31, 2005 the Company disposed of the following Properties. The operating results have been reflected in discontinued operations.

1) During the year ended December 31, 2005, we sold one Property located in Cedar Rapids, Iowa for a selling price of $6.7 million. Net proceeds of $6.3 million were used to repay amounts on our lines of credit. A gain on sale of approximately $2.3 million was recorded during the fourth quarter of 2005.

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

3) During the year ended December 31, 2003, we sold the three Properties located in Morgantown, West Virginia, Hamburg, New York and Mount Airy, Maryland for net proceeds of $27.1 million. A gain of approximately $10.8 million was recorded in 2003. Proceeds from the sales were used to repay amounts on the Company's line of credit.

The following table illustrates, for comparative purposes, the effect of its 2004 acquisitions on net income and earnings per share as if the Company had consummated the acquisitions on January 1, 2004 and 2003, respectively (amounts in thousands, except per share data):

	FOR THE YEARS ENDED DECEMBER 31,	
Pro Forma Information (unaudited):	2004	2003
Property operating revenues	$307,477	$297,845
Income from continuing operations	$ 7,088	$ 20,381
Net income available for Common Shares	$ 7,114	$ 30,166
Earnings per Common Share - Basic:		
Income from continuing operations	$ 0.31	$ 0.92
Net income available for Common Shares	$ 0.31	$ 1.36
Earnings per Common Share - Fully Diluted:		
Income from continuing operations	$ 0.30	$ 0.92
Net income available for Common Shares	$ 0.30	$ 1.34

NOTE 6 - INVESTMENT IN JOINT VENTURES

During the year ended December 31, 2005, the Company invested approximately $7 million for a 50% preferred joint venture interest in three Properties located near Bar Harbor, Maine. The Company also invested approximately $0.6 million for a 40% interest in a Texas Property owned by a joint venture controlled by Diversified Investments, Inc. ("Diversified").

On February 3, 2004, the Company invested approximately $29.7 million in preferred equity interests (the "Mezzanine Investment") in six entities controlled by Diversified. These entities own in the aggregate 11 Properties, containing 5,054 sites. Approximately $11.7 million of the Mezzanine Investment accrues at a per annum average rate of 10%, with a minimum per annum pay rate of 6.5%, payable quarterly, and approximately $17.9 million of the Mezzanine Investment accrues at a per annum average rate of 11%, with a minimum pay rate of 7%, payable quarterly. To the extent the minimum pay rates on the respective Mezzanine Investments are not achieved, the accrual rates increase to 12% and 13% per annum, respectively. In addition, the Company has invested approximately $1.4 million in the Diversified entities managing these 11 Properties, which is included in prepaid expenses and other assets on the Company's Consolidated Balance Sheet as of December 31, 2005.

During the year ended December 31, 2004, the Company invested approximately $4.1 million with Diversified in 11 separate property-owning entities. In addition, the Company recorded approximately $6.5 million, $3.7 million and $0.3 million of net income from joint ventures, net of $2.0 million, $1.2 million and $0.8 million of depreciation in the years ended December 31, 2005, 2004 and 2003 respectively. The Company received approximately $11.3 million, $5.2 million and $0.8 million in distributions from such joint ventures for the year ended December 31, 2005, 2004 and 2003 respectively. Included in such distributions for the year ended December 31, 2005 and 2004 is $2.2 million and $2.5 million return of capital, respectively of which $2.2 and $0.5 million, respectively, exceeded the Company's basis and thus was recorded in income from unconsolidated joint ventures and other. Due to the Company's inability to control the joint ventures, the Company accounts for its investment in the joint ventures using the equity method of accounting.

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

PROPERTY	LOCATION	NUMBER OF SITES	ECONOMIC INTEREST (a)	INVESTMENT AS OF DEC. 31, 2005	INVESTMENT AS OF DEC. 31, 2004
				(in thousands)	(in thousands)
Meadows Investments	Various (2)	1,027	50%	$ 280	$ 4,763
Lakeshore Investments	Florida (2)	343	90%	32	630
Voyager	Tucson, AZ	1,575	25%	3,115	3,010
Mezzanine Investments	Various (11)	5,054	--	32,380	31,207
Indian Wells	Indio, CA	350	30%	248	271
Diversified Investments	Various (12)	4,697	25%(b)	3,258	3,702
Maine Portfolio	Maine (3)	495	50%	6,898	--
		13,541		$46,211	$43,583

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

(b) Economic interest in one Diversified Investment is 40%.

NOTE 6 - INVESTMENT IN JOINT VENTURES (CONTINUED)

UNCONSOLIDATED REAL ESTATE JOINT VENTURE FINANCIAL INFORMATION

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

BALANCE SHEETS

	AS OF DECEMBER 31, 2005 (in thousands)	AS OF DECEMBER 31, 2004 (in thousands)
ASSETS		
Real estate, net	$194,788	$183,480
Other assets	23,378	22,646
TOTAL ASSETS	$218,166	$206,126
LIABILITIES		
Mortgage debt & other loans	$171,285	$152,682
Other liabilities	15,169	13,485
Partner's equity	31,712	39,959
TOTAL LIABILITIES AND EQUITY	$218,166	$206,126

STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31, 2005 (in thousands)	FOR THE YEARS ENDED DECEMBER 31, 2004 (in thousands)
REVENUES		
Rentals	$34,345	$27,941
Other income	7,142	5,390
TOTAL REVENUES	41,487	33,331
EXPENSES		
Operating expenses	19,067	16,454
Interest	9,315	7,558
Other income & expenses	3,016	2,672
Depreciation & amortization	11,305	10,165
TOTAL EXPENSES	42,703	36,849
NET (LOSS) INCOME	$(1,216)	$(3,518)

NOTE 7 - NOTES RECEIVABLE

As of December 31, 2005 and December 31, 2004, the Company had approximately $11.6 million and $13.3 million in notes receivable, respectively. The Company has approximately $10.9 million in Chattel Loans receivable, which yield interest at a per annum average rate of approximately 9.7%, have an average term and amortization of 5 to 15 years, require monthly principal and interest payments and are collateralized by homes at certain of the Properties. These notes are recorded net of allowances of $81,000 and $250,000 as of December 31, 2005 and December 31, 2004, respectively. On November 15, 2005, the Company entered into an agreement to loan Privileged Access (owned by a former board member) up to $0.5 million. As of December 31, 2005, approximately $0.3 million has been borrowed by Privileged Access. The loan bears interest at prime plus 1.0% per annum and matures on November 15, 2007. The Company has approximately $403,000 in notes which bear interest at a per annum rate of prime plus 0.5% and mature on December 31, 2011. The notes are collateralized with a combination of common OP Units and partnership interests in certain joint ventures.

NOTE 8 - LONG-TERM BORROWINGS

FINANCING, REFINANCING AND EARLY DEBT RETIREMENT

During the third quarter of 2005, the Company refinanced two mortgage loans for proceeds of $34 million at an interest rate of 4.95% per annum. Net proceeds were used to pay down approximately $20 million in other secured financing maturing in 2006 and to pay $934,000 in early debt retirement costs offset by related debt premium balance write-offs.

During the fourth quarter of 2005, the Company refinanced approximately $293 million of secured debt maturing in 2007 with an effective interest rate of 6.8% per annum. This debt was secured by two cross-collateralized loan pools consisting of 35 Properties. The transaction generated approximately $337 million in proceeds from loans secured by individual mortgages on 20 Properties. The blended interest rate on the refinancing was approximately 5.3% per annum, and the loans mature in 2015. The Company incurred approximately $20.0 million of early debt retirement cost from the refinancing that were paid with proceeds from the loans. The remaining excess proceeds were used to repay outstanding amounts on our lines of credit.

In 2004, the Company assumed mortgage and other debt relating to acquisition of approximately $157 million, which was recorded at fair market value with the related premium being amortized over the life of the loan using the effective interest rate. The Company borrowed an additional $194 million of mortgage debt for other acquisitions. The mortgages bear interest at weighted average rates ranging from 5.14% to 5.81% per annum, and mature at various dates through November 1, 2027. In addition, in connection with the Thousand Trails Transaction, we secured a $120 million three-year term loan at LIBOR plus 1.75%.

In 2003, the Company closed on 49 loans (see Note 4) collateralized by 51 Properties beneficially owned by separate legal entities that are Subsidiaries of the Company, providing total proceeds of approximately $501 million. This mortgage debt matures over seven years from November 1, 2008 to November 1, 2015 bearing interest at rates between 5.35% and 6.33% per annum.

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

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

NOTE 8 - LONG-TERM BORROWINGS (CONTINUED)

SECURED DEBT

As of December 31, 2005 and December 31, 2004, the Company had outstanding mortgage indebtedness on Properties held for long term of approximately $1,485 million and $1,402 million, respectively, and approximately $15 million of mortgage indebtedness as of December 31, 2005 and December 31, 2004 on Properties held for sale. The weighted average interest rate on this mortgage indebtedness for the years ended December 31, 2005 and 2004, respectively, was approximately 6.25% and 6.26% per annum. The debt bears interest at rates of 4.17% to 7.19% per annum and matures on various dates ranging from 2007 to 2015, with one additional loan maturing in 2027. Included in our debt balance are three capital leases with an imputed interest rate of 11.6% per annum. The debt encumbered a total of 150 and 165 of the Company's Properties as of December 31, 2005 and December 31, 2004, respectively, and the carrying value of such Properties was approximately $1,603 million and $1,653 million, respectively, as of such dates.

UNSECURED LOANS

TERM LOAN

The Company has a Term Loan agreement, pursuant to which it borrowed $120 million, on an unsecured basis, at LIBOR plus 1.75% per annum. The Term Loan will be due and payable on November 10, 2007; however, the borrower has the option to extend the initial maturity for two additional one-year terms. Proceeds from this debt were used to acquire KTTI Holding Company, Inc. as part of the Thousand Trails Transaction. During 2005, the Company made principal repayments of $20.0 million on this Term Loan and secured a fixed interest rate at 6.85% per annum for a one-year term.

LINES OF CREDIT

The Company has a $110 million credit facility with a group of banks, bearing interest at LIBOR plus 1.65% per annum and maturing on August 9, 2006, which can be extended by the borrower for an additional year to August 9, 2007. As of December 31, 2005, $80.4 million was available under this facility.

The Company has a $50 million credit facility with Wells Fargo Bank, bearing interest at LIBOR plus 1.65% per annum and maturing on May 4, 2006, which can be extended by the borrower for an additional year to May 4, 2007. As of December 31, 2005, $41.9 million was available under this facility.

OTHER LOANS

During 2005, the Company borrowed $2.4 million to finance its insurance premium payments. As of December 31, 2005, $230,000 remained outstanding. This loan is due in January 2006 and bears interest at 4.07% per annum.

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

YEAR	AMOUNT
2006	$ 53,622
2007	135,395
2008	201,605
2009	75,049
2010	227,340
Thereafter	938,342
Net unamortized premiums and discounts	6,928
Total	$1,638,281

NOTE 9 - LEASE AGREEMENTS

The leases entered into between the customer and the Company for the rental of a site are generally month-to-month or for a period of one to ten years, renewable upon the consent of the parties or, in some instances, as provided by statute. Non-cancelable long-term leases are in effect at certain sites within approximately 25 of the 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. Future minimum rents are scheduled to be received under non-cancelable tenant leases at December 31, 2005 as follows (amounts in thousands):

YEAR	AMOUNT
2006	$ 44,802
2007	46,124
2008	34,442
2009	21,343
2010	21,135
Thereafter	40,712
Total	$208,558

NOTE 10 - GROUND LEASES

The Company leases land under non-cancelable operating leases at certain of the Properties expiring in various years from 2022 to 2032 with terms which require 12 equal payments per year plus additional rents calculated as a percentage of gross revenues. For the years ended December 31, 2005, 2004 and 2003, ground lease rent was approximately $1.6, $1.6 and $1.5 million per year, respectively. Minimum future rental payments under the ground leases are approximately $1.6 million for each of the next five years and approximately $21.3 million thereafter.

NOTE 11 - TRANSACTIONS WITH RELATED PARTIES

The Company leases office space from Two North Riverside Plaza Joint Venture Limited Partnership, an entity affiliated with Mr. Zell, the Company's Chairman of the Board. Fees paid to this entity amounted to approximately $465,000, $412,000 and $404,000 for the years December 31, 2005, 2004 and 2003, respectively. The Company had no amounts due to this entity as of December 31, 2005 and 2004, respectively. During 2003, we paid $25,000 to J. Green & Co., L.L.C. for services provided by Mr. Berman, the Company's current Chief Financial Officer, prior to his employment by the Company.

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

NOTE 12 - STOCK OPTION PLAN AND STOCK GRANTS

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

NOTE 12 - STOCK OPTION PLAN AND STOCK GRANTS (CONTINUED)

vesting schedule, if any, of each Option and the term, which term shall not exceed ten years from the date of grant. As to the Options that have been granted through December 31, 2005 to officers, employees and consultants, generally, one-third are exercisable one year after the initial grant, one-third are exercisable two years following the date such Options were granted and the remaining one-third are exercisable three years following the date such Options were granted. A maximum of 6,000,000 shares of common stock are available for grant under the Plan and no more than 250,000 shares may be subject to grants to any one individual in any calendar year.

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

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

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

Prior to 2003, we accounted for our stock compensation in accordance with APB No. 25, "Accounting for Stock Issued to Employees", based upon the intrinsic value method. This method results in no compensation expense for Options issued with an exercise price equal to or exceeding the market value of the common stock on the date of grant. On January 1, 2003, we elected to account for our stock-based compensation in accordance with Statement of Financial Accounting Standards No. 123 ("SFAS 123")and its amendment (SFAS No. 148), "Accounting for Stock Based Compensation", which resulted in compensation expense being recorded based on the fair value of the Options and other equity awards issued. SFAS No. 148 provided three possible transition methods for changing to the fair value method. We elected to use the modified-prospective method. This method required that we recognize stock-based employee compensation cost from the beginning of the fiscal year in which the recognition provisions are first applied as if the fair value method had been used to account for all employee awards granted, or settled in fiscal years beginning after December 15, 1994. The Company adopted SFAS 123(R) on July 1, 2005, which replaced SFAS 123. Since the Company had chosen to use the modified-prospective method for recognizing stock-based compensation and uses the Black-Scholes-Merton Model for valuing the options the result of the adoption had no material impact of the Company's results of operations or financial position.

NOTE 12 - STOCK OPTION PLAN AND STOCK GRANTS (CONTINUED)

Restricted Stock Grants

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

In 2005 and 2004, the Company awarded Restricted Stock Grants for 22,500 and 40,000 shares of common stock, respectively, to directors with a fair market value of approximately $812,000 and $1,386,000 in 2005 and 2004, respectively.

The Company recognized compensation expense of approximately $2.8 million and $2.7 million related to Restricted Stock Grants in 2005 and 2004, respectively. The balance of unamortized deferred compensation as of December 31, 2005 and 2004 was approximately $0.0 million and $0.2 million, respectively.

Stock Options

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

ASSUMPTION	2005	2004	2003
Dividend yield	6.0%	5.9%	5.6%
Risk-free interest rate	4.2%	4.7%	3.5%
Expected life	4 years	10 years	5 years
Expected volatility	16.0%	16.0%	14.0%
Estimated Fair Value of Options Granted	$354,757	$ 57,000	$ 40,600

In January 2004, approximately 1.2 million options were repriced in connection with the special dividend paid on January 16, 2004 (see Note 4). A summary of the Company's stock option activity, and related information for the years ended December 31, 2005, 2004 and 2003 follows:

	SHARES SUBJECT TO OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE
Balance at January 1, 2003	1,515,897	$ 24.08
Options granted	20,000	32.67
Options exercised	(302,526)	21.06
Options canceled	(9,437)	25.60
Balance at December 31, 2003	1,223,934	24.95
Options granted	1,212,367	17.28
Options exercised	(195,737)	15.47
Options canceled	(1,194,568)	25.04
Balance at December 31, 2004	1,045,996	17.74
Options granted	130,000	35.10
Options exercised	(187,755)	41.84
Options canceled	(4,450)	17.37
Balance at December 31, 2005	983,791	20.62

NOTE 12 - STOCK OPTION PLAN AND STOCK GRANTS (CONTINUED)

The following table summarizes information regarding Options outstanding at December 31, 2005:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	OPTIONS	WEIGHTED AVERAGE OUTSTANDING CONTRACTUAL LIFE (IN YEARS)	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
$10.63 to $14.00	94,300	1.0	$13.44	94,300	$13.44
$15.69 to $18.99	565,605	3.4	$17.30	565,605	$17.30
$22.65 to $37.35	323,886	7.5	$28.50	230,551	$25.93
	983,791	4.5	$20.62	890,456	$19.13

As of December 31, 2005, 2004 and 2003, 1,775,975 shares, 1,924,025 shares, and 2,119,152 shares remained available for grant, respectively; of these 839,025 shares, 861,525 shares, and 1,038,853 shares, respectively, remained available for Restricted Stock Grants.

NOTE 13 - PREFERRED STOCK

The Company's Board of Directors is authorized under the Company's charter, without further stockholder approval, to issue, from time to time, in one or more series, 10,000,000 shares of $.01 par value preferred stock (the "Preferred Stock"), with specific rights, preferences and other attributes as the Board may determine, which may include preferences, powers and rights that are senior to the rights of holders of the Company's common stock. However, under certain circumstances, the issuance of preferred stock may require stockholder approval pursuant to the rules and regulations of The New York Stock Exchange. As of December 31, 2005 and 2004, no Preferred Stock was issued by the Company.

NOTE 14 - SAVINGS PLAN

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

In addition, amounts contributed by the Company will vest, on a prorated basis, according to the participant's vesting schedule. After five years of employment with the Company, the participants will be 100% vested for all amounts contributed by the Company. Additionally, a discretionary profit sharing component of the 401(k) Plan provides for a contribution to be made annually for each participant in an amount, if any, as determined by the Company. All employee contributions are 100% vested. The Company's contribution to the 401(k) Plan was $355,138, $545,271, and $240,000, for the years ended December 31, 2005, 2004, and 2003, respectively.

As a result of the changes in the law relating to deferred compensation plans, the Company terminated its Supplemental Retirement Savings Plan ("the Plan"). Termination of the Plan resulted in a taxable distribution to the participants, who received all of the assets that were held in their Plan account, net of applicable withholding taxes. These assets included approximately 900,000 shares of ELS common stock in the aggregate, including approximately 825,000 shares of ELS common stock held in the Plan accounts of ELS' executive officers and directors. All of the shares of ELS common stock held in Plan accounts that were distributed are freely tradable without restriction or further registration under the federal securities laws, except for shares held in the Plan accounts of executive officers and directors, which are subject to the manner and volume of sale requirements of Rule 144 under the Securities Act. Termination of the Plan had no effect on results of operations and no material impact on the Company's balance sheet. Certain executive officers of the Company may from time to time adopt non-discretionary, written trading plans that comply with Commission Rule 10b5-1, or otherwise monetize their equity-based compensation. Commission Rule 10b5-1 provides executives with a method to monetize their equity-based compensation in an automatic and non-discretionary manner over time.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

CALIFORNIA RENT CONTROL LITIGATION

As part of the Company's effort to realize the value of its Properties subject to rent control, the Company has initiated lawsuits against several municipalities in California. The Company's goal is to achieve a level of regulatory fairness in California's rent control jurisdictions, and in particular those jurisdictions that prohibit increasing rents to market upon turnover. Regulations in California allow tenants to sell their homes for a premium representing the value of the future discounted rent-controlled rents. In the Company's view, such regulation results in a transfer of the value of the Company's stockholders' land, which would otherwise be reflected in market rents, to tenants upon the sales of their homes in the form of an inflated purchase price that cannot be attributed to the value of the home being sold. As a result, in the Company's view, the Company loses the value of its asset and the selling tenant leaves the Property with a windfall premium. The Company has discovered through the litigation process that certain municipalities considered condemning the Company's Properties at values well below the value of the underlying land. In the Company's view, a failure to articulate market rents for sites governed by restrictive rent control would put the Company at risk for condemnation or eminent domain proceedings based on artificially reduced rents. Such a physical taking, should it occur, could represent substantial lost value to stockholders. The Company is cognizant of the need for affordable housing in the jurisdictions, but asserts that restrictive rent regulation does not promote this purpose because the benefits of such regulation are fully capitalized into the prices of the homes sold. The Company estimates that the annual rent subsidy to tenants in these jurisdictions may be in excess of $15 million. In a more well balanced regulatory environment, the Company would receive market rents that would eliminate the subsidy and homes would trade at or near their intrinsic value.

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

The Company has filed two lawsuits in federal court against the City of San Rafael, challenging its rent control ordinance on constitutional grounds. The Company believes that one of those lawsuits was settled by the City agreeing to amend the ordinance to permit adjustments to market rent upon turnover. The City subsequently rejected the settlement agreement. The Court initially found the settlement agreement was binding on the City, but then reconsidered and determined to submit the claim of breach of the settlement agreement to a jury. In October 2002, the first case against the City went to trial, based on both breach of the settlement agreement and the constitutional claims. A jury found no breach of the settlement agreement; the Company then filed motions asking the Court to rule in its favor on that claim, notwithstanding the jury verdict. The Court postponed decision on those motions and on the constitutional claims, pending a ruling on some property rights issues by the United States Supreme Court. In the event that the Court does not rule in favor of the Company on either the settlement agreement or the constitutional claims, then the Company has pending claims seeking a declaration that it can close the Property and convert it to another use. The United States Supreme Court issued the property rights rulings in 2005 and the Company awaits the Court's decisions in the San Rafael matters. On January 27, 2006, the Court issued a ruling that granted the Company's motion for leave to amend to assert alternative takings theories in light of the United States Supreme Court's decisions. The Court's ruling also denied the Company's post trial motions related to the settlement agreement and dismissed the park closure claim without prejudice to the Company's ability to reassert such claim in the future. As a result, the Company has filed a new complaint challenging the City's ordinance as violating the takings clause and substantive due process. The Company expects the City to file a responsive motion to the amended complaint and for further legal proceedings to occur in 2006.

The Company's efforts to achieve a balanced regulatory environment incentivize tenant groups to file lawsuits against the Company seeking large damage awards. The homeowners association at Contempo Marin ("CMHOA"), a 396 site Property in San Rafael, California, sued the Company in December 2000 over a prior settlement agreement on a capital expenditure pass-through after the Company sued the City of San Rafael in October 2000 alleging its rent control ordinance is unconstitutional. In the Contempo Marin case, the CMHOA prevailed on a motion for summary judgment on an issue that permits the Company to collect only $3.72 out of a monthly pass-through amount of $7.50 that the Company believes had been agreed to by the CMHOA in a settlement agreement. On May 23, 2004, the California Court of Appeal affirmed the

NOTE 15 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

trial court's order dismissing the Company's claims against the City of San Rafael. The CMHOA continues to seek damages from the Company in this matter. The Company has reached a tentative settlement with the CMHOA in this matter which allows the Company to recover $3.72 of the requested monthly pass-through and does not provide for the payment of any damages to the CMHOA. Both the CMHOA and the Company will bring motions for their respective attorneys' fees following the settlement becoming final. The Company intends to vigorously defend this matter should the settlement not become final. The Company believes that such lawsuits will be a consequence of the Company's efforts to change rent control since tenant groups actively desire to preserve the premium value of their homes in addition to the discounted rents provided by rent control. The Company has determined that its efforts to rebalance the regulatory environment despite the risk of litigation from tenant groups are necessary not only because of the $15 million annual subsidy to tenants, but also because of the condemnation risk.

Similarly, in June 2003, the Company won a judgment against the City of Santee in California Superior Court (case no. 777094). The effect of the judgment was to invalidate, on state law grounds, two (2) rent control ordinances the City of Santee had enforced against the Company and other property owners. However, the Court allowed the City to continue to enforce a rent control ordinance that predated the two invalid ordinances (the "prior ordinance"). As a result of the judgment the Company was entitled to collect a one-time rent increase based upon the difference in annual adjustments between the invalid ordinance(s) and the prior ordinances and to adjust its base rents to reflect what the Company could have charged had the prior ordinance been continually in effect. The City of Santee appealed the judgment. The court of appeal and California Supreme Court refused to stay enforcement of these rent adjustments pending appeal. After the City was unable to obtain a stay, the City and the tenant association each sued the Company in separate actions alleging the rent adjustments pursuant to the judgment violate the prior ordinance (Case Nos. GIE 020887 and GIE 020524). They seek to rescind the rent adjustments, refunds of amounts paid, and penalties and damages in these separate actions. On January 25, 2005, the California Court of Appeal reversed the judgment in part and affirmed it in part with a remand. The Court of Appeal affirmed that one ordinance was unlawfully adopted and therefore void and that the second ordinance contained unconstitutional provisions. However, the Court ruled the City had the authority to cure the issues with the first ordinance retroactively. On remand the trial court is directed to decide the issue of damages to the Company which the Company believes is consistent with the Company receiving the economic benefit of invalidating one of the ordinances and also consistent with the Company's position that it is entitled to market rent and not merely a higher amount of regulated rent. In the remand action, the City of Santee filed a motion seeking restitution of amounts collected by the Company following the judgment which motion was denied. The Company intends to vigorously pursue its damages in the remand action and to vigorously defend the two new lawsuits.

In addition, the Company has sued the City of Santee in federal court alleging all three of the ordinances are unconstitutional under the Fifth and Fourteenth Amendments to the United States Constitution. Thus, it is the Company's position that the ordinances are subject to invalidation as a matter of law in the federal court action. Separately, the Federal District Court granted the City's Motion for Summary Judgment in the Company's federal court lawsuit. This decision was based not on the merits, but on procedural grounds, including that the Company's claims were moot given its success in the state court case. The Company has appealed the decision.

In October 2004, the United States Supreme Court granted certiorari in State of Hawaii vs. Chevron USA, Inc., a Ninth Circuit Court of Appeal case that upheld the standard that a regulation must substantially advance a legitimate state purpose in order to be constitutionally viable under the Fifth Amendment. On May 24, 2005 the United States Supreme Court reversed the Ninth Circuit Court of Appeal in an opinion that clarified the standard of review for regulatory takings brought under the Fifth Amendment. The Supreme Court held that the heightened scrutiny applied by the Ninth Circuit is not the applicable standard in a regulatory takings analysis, but is an appropriate factor for determining if a due process violation has occurred. The Court further clarified that regulatory takings would be determined in significant part by an analysis of the economic impact of the regulation. The Company believes that the severity of the economic impact on its Properties caused by rent control will enable it to continue to challenge the rent regulations under the Fifth Amendment and the due process clause.

NOTE 15 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

DISPUTE WITH LAS GALLINAS VALLEY SANITARY DISTRICT

In November 2004, the Company received a Compliance Order (the "Compliance Order") from the Las Gallinas Valley Sanitary District (the "District"), relating to the Company's Contempo Marin Property in San Rafael, California. The Compliance Order directed the Company to submit and implement a plan to bring the Property's domestic wastewater discharges into compliance with the applicable District ordinance (the "Ordinance"), and to ensure continued compliance with the Ordinance in the future.

Without admitting any violation of the Ordinance, the Company promptly engaged a consultant to review the Property's sewage collection system and prepare a compliance plan to be submitted to the District. The District approved the compliance plan in January 2005, and the Company promptly took all necessary actions to implement same.

Thereafter, the Company received a letter dated June 2, 2005 from the District's attorney (the "June 2 Letter"), acknowledging that the Company has "taken measures to bring the [Property's] private sanitary system into compliance" with the Ordinance, but claiming that prior discharges from the Property had damaged the District's sewers and pump stations in the amount of approximately $368,000. The letter threatened legal action if necessary to recover the cost of repairing such damage. By letter dated June 23, 2005, counsel for the Company denied the District's claims set forth in the June 2 Letter.

On July 1, 2005, the District filed a Complaint for Enforcement of Sanitation Ordinance, Damages, Penalties and Injunctive Relief in the California Superior Court for Marin County, and on August 17, 2005, the District filed its First Amended Complaint (the "Complaint"). On September 26, 2005, the Company filed its Answer to the Complaint, denying each and every allegation of the Complaint and further denying that the District is entitled to any of the relief requested therein.

The District subsequently issued a Notice of Violation dated December 12, 2005 (the "NOV"), alleging additional violations of the Ordinance. By letter dated December 23, 2005, the Company denied the allegations in the NOV.

The Company believes that it has complied with the Compliance Order and the Ordinance. The Company further believes that the allegations in the Complaint and the NOV are without merit, and will vigorously defend against any such claims by the District.

COUNTRYSIDE AT VERO BEACH

The Company previously received letters dated June 17, 2002 and August 26, 2002 from Indian River County ("County"), claiming that the Company owed sewer impact fees in the amount of approximately $518,000 with respect to the Property known as Countryside at Vero Beach, located in Vero Beach, Florida, purportedly under the terms of an agreement between the County and a prior owner of the Property. In response, the Company advised the County that these fees are no longer due and owing as a result of a 1996 settlement agreement between the County and the prior owner of the Property, providing for the payment of $150,000 to the County to discharge any further obligation for the payment of impact or connection fees for sewer service at the Property. The Company paid this settlement amount (with interest) to the County in connection with the Company's acquisition of the Property. In February 2006, the Company was served with a complaint filed by the County in Indian River County Circuit Court, requesting a judgment declaring a lien against the Property for allegedly unpaid impact fees, and foreclosing said lien. The Company will vigorously defend the lawsuit.

On January 12, 2006, the Company was served with a complaint filed in Indian River County Circuit Court on behalf of a purported class of homeowners at Countryside at Vero Beach. The complaint includes counts for alleged violations of the Florida Mobile Home Act and the Florida Deceptive and Unfair Trade Practices Act, and claims that the Company required homeowners to pay water and sewer impact fees, either to the Company or to the County, "as a condition of initial or continued occupancy in the Park", without properly disclosing the fees in advance and notwithstanding the Company's position that all such fees were fully paid in connection with the settlement agreement described above. The Company will vigorously defend the lawsuit.

NOTE 15 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

OTHER

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

NOTE 16 - QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is unaudited quarterly data for 2005 and 2004 (amounts in thousands, except for per share amounts):

2005	FIRST QUARTER 3/31	SECOND QUARTER 6/30	THIRD QUARTER 9/30	FOURTH QUARTER 12/31
Total revenues (a)	$103,577	$101,780	$101,886	$106,930
Income from continuing operations (a)	$ 8,481	$ 2,049	$ 789	$(17,285)
Income from discontinued operations (a)	$ 228	$ 438	$ 302	$ 2,665
Net income (loss) available for Common Shares	$ 8,709	$ 2,487	$ 1,091	$(14,620)
Weighted average Common Shares outstanding - Basic	22,974	23,042	23,097	23,208
Weighted average Common Shares outstanding - Diluted	29,878	29,974	30,149	29,450
Net income (loss) per Common Share outstanding - Basic	$ 0.38	$ 0.11	$ 0.05	$ (0.63)
Net income (loss) per Common Share outstanding - Diluted	$ 0.37	$ 0.11	$ 0.05	$ (0.63)

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

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

SCHEDULE II
EQUITY LIFESTYLE PROPERTIES, INC.
VALUATION AND QUALIFYING ACCOUNTS
DECEMBER 31, 2005

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO INCOME	ADDITIONS CHARGED TO OTHER ACCOUNTS	DEDUCTIONS(1)	BALANCE AT END OF PERIOD
For the year ended December 31, 2003:					
Allowance for doubtful accounts......	$ 700,000	$ 820,822	$ --	($693,822)	$ 827,000
For the year ended December 31, 2004:					
Allowance for doubtful accounts......	$ 827,000	$1,182,000	($145,000)	($834,000)	$1,030,000
For the year ended December 31, 2005:					
Allowance for doubtful accounts......	$1,030,000	$1,029,000	($38,000)	($842,000)	$1,179,000

(1) Deductions represent tenant receivables deemed uncollectible.

SCHEDULE III
EQUITY LIFESTYLE PROPERTIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

				Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at Close of Period 12/31/05				
Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property	Land	Depreciable Property	Total	Accumulated Depreciation	Date of Acquisition
PROPERTIES HELD FOR LONG TERM												
Apollo Village....	Phoenix	AZ	4,416	932	3,219	--	610	932	3,829	4,761	(1,439)	1994
Araby Acres.......	Yuma	AZ	3,169	1,440	4,345	--	38	1,440	4,383	5,823	(305)	2003
Cactus Gardens....	Yuma	AZ	4,784	1,992	5,984	--	25	1,992	6,009	8,001	(303)	2004
Carefree Manor....	Phoenix	AZ	3,352	706	3,040	--	266	706	3,306	4,012	(922)	1998
Casa del Sol #1...	Peoria	AZ	10,230	2,215	6,467	--	1,367	2,215	7,834	10,049	(1,833)	1996
Casa del Sol #2...	Glendale	AZ	--	2,103	6,283	--	1,133	2,103	7,416	9,519	(1,683)	1996
Casa del Sol #3...	Glendale	AZ	--	2,450	7,452	--	460	2,450	7,912	10,362	(1,994)	1998
Central Park......	Phoenix	AZ	12,600	1,612	3,784	--	772	1,612	4,556	6,168	(3,121)	1983
Countryside.......	Phoenix	AZ	3,685	2,056	6,241	--	241	2,056	6,482	8,538	(742)	2002
Desert Paradise...	Yuma	AZ	1,434	666	2,011	--	25	666	2,036	2,702	(134)	2004
Desert Skies......	Phoenix	AZ	5,046	792	3,126	--	415	792	3,541	4,333	(929)	1998
Fairview Manor....	Tucson	AZ	4,977	1,674	4,708	--	1,223	1,674	5,931	7,605	(1,584)	1998
Foothill..........	Yuma	AZ	1,350	459	1,402	--	22	459	1,424	1,883	(102)	2003
Golden Sun........	Scottsdale	AZ	2,920	1,678	5,049	--	69	1,678	5,118	6,796	(586)	2002
Hacienda De Valencia.......	Mesa	AZ	--	833	2,701	--	2,775	833	5,476	6,309	(2,729)	1984
Monte Vista.......	Mesa	AZ	22,519	11,402	34,355	--	861	11,402	35,216	46,618	(1,939)	2004
Palm Shadows......	Glendale	AZ	8,368	1,400	4,218	--	379	1,400	4,597	5,997	(1,995)	1993
Paradise..........	Sun City	AZ	19,547	6,414	19,263	12	365	6,426	19,628	26,054	(1,258)	2004
Sedona Shadows....	Sedona	AZ	2,405	1,096	3,431	--	716	1,096	4,147	5,243	(1,127)	1997
Suni Sands........	Yuma	AZ	3,133	1,249	3,759	--	19	1,249	3,778	5,027	(244)	2004
Sunrise Heights...	Phoenix	AZ	5,631	1,000	3,016	--	615	1,000	3,631	4,631	(1,353)	1994
The Highlands at Brentwood......	Mesa	AZ	10,910	1,997	6,024	--	1,102	1,997	7,126	9,123	(2,827)	1993
The Mark..........	Mesa	AZ	8,702	1,354	4,660	6	1,251	1,360	5,911	7,271	(2,107)	1994
The Meadows.......	Tempe	AZ	--	2,613	7,887	--	1,670	2,613	9,557	12,170	(3,467)	1994
Viewpoint.........	Mesa	AZ	43,085	24,890	56,340	14	918	24,904	57,258	82,162	(3,191)	2004
Whispering Palms..........	Phoenix	AZ	3,219	670	2,141	--	209	670	2,350	3,020	(667)	1998
California Hawaiian.......	San Jose	CA	--	5,825	17,755	--	1,609	5,825	19,364	25,189	(5,562)	1997
Colony Park.......	Ceres	CA	5,820	890	2,837	--	331	890	3,168	4,058	(1,022)	1998
Concord Cascade...	Pacheco	CA	--	985	3,016	--	1,341	985	4,357	5,342	(2,628)	1983
Contempo Marin....	San Rafael	CA	--	4,787	16,379	--	2,630	4,787	19,009	23,796	(7,129)	1994
Coralwood.........	Modesto	CA	6,200	--	5,047	--	278	--	5,325	5,325	(1,550)	1997
Date Palm.........	Cathedral City	CA	--	--	216	--	61	--	277	277	(138)	1994
Date Palm Country Club...........	Cathedral City	CA	15,022	4,138	14,064	(23)	3,715	4,115	17,779	21,894	(6,447)	1994
DeAnza Santa Cruz...........	Santa Cruz	CA	6,717	2,103	7,201	--	470	2,103	7,671	9,774	(2,894)	1994
Four Seasons......	Fresno	CA	--	756	2,348	--	253	756	2,601	3,357	(764)	1997

SCHEDULE III
EQUITY LIFESTYLE PROPERTIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

Real Estate	Location		Encumbrances	Initial Cost to Company: Land	Initial Cost to Company: Depreciable Property	Costs Capitalized Subsequent to Acquisition (Improvements): Land	Costs Capitalized Subsequent to Acquisition (Improvements): Depreciable Property	Gross Amount Carried at Close of Period 12/31/05: Land	Gross Amount Carried at Close of Period 12/31/05: Depreciable Property	Gross Amount Carried at Close of Period 12/31/05: Total	Accumulated Depreciation	Date of Acquisition
Laguna Lake......	San Luis Obispo	CA	--	2,845	6,520	--	252	2,845	6,772	9,617	(1,925)	1998
Lamplighter......	Spring Valley	CA	--	633	2,201	--	695	633	2,896	3,529	(1,968)	1983
Las Palmas.......	Rialto	CA	3,759	1,295	3,866	--	95	1,295	3,961	5,256	(218)	2004
Meadowbrook......	Santee	CA	--	4,345	12,528	--	1,591	4,345	14,119	18,464	(3,564)	1998
Monte del Lago...	Castroville	CA	21,400	3,150	9,469	--	1,530	3,150	10,999	14,149	(3,028)	1997
Nicholson Plaza..	San Jose	CA	--	--	4,512	--	72	--	4,584	4,584	(1,285)	1997
Pacific Dunes Ranch.........	California Central Coast	CA	5,946	1,940	5,632	--	109	1,940	5,741	7,681	(356)	2004
Parque La Quinta........	Rialto	CA	5,041	1,799	5,450	--	(29)	1,799	5,421	7,220	(378)	2004
Quail Meadows....	Riverbank	CA	5,275	1,155	3,469	--	316	1,155	3,785	4,940	(977)	1998
Rancho Mesa......	El Cajon	CA	9,600	2,130	6,389	--	367	2,130	6,756	8,886	(1,685)	1998
Rancho Valley....	El Cajon	CA	--	685	1,902	--	843	685	2,745	3,430	(1,742)	1983
Royal Holiday....	Hemet	CA	--	778	2,643	--	1,281	778	3,924	4,702	(730)	1998
Royal Oaks.......	Visalia	CA	--	602	1,921	--	301	602	2,222	2,824	(637)	1997
San Francisco RV...........	San Francisco	CA	--	1,656	4,973	--	--	1,656	4,973	6,629	(83)	2005
Santiago Estates.......	Sylmar	CA	16,189	3,562	10,767	--	811	3,562	11,578	15,140	(3,103)	1998
Sea Oaks.........	Los Osos	CA	--	871	2,703	--	287	871	2,990	3,861	(823)	1997
Sunshadow........	San Jose	CA	--	--	5,707	--	144	--	5,851	5,851	(1,668)	1997
Tahoe Valley Campground....	Lake Tahoe	CA	--	1,357	4,071	--	49	1,357	4,120	5,477	(261)	2004
Village of Four Seasons.......	San Jose	CA	15,138	5,229	15,714	--	63	5,229	15,777	21,006	(876)	2004
Westwinds (4 properties)...	San Jose	CA	--	--	17,616	--	5,405	--	23,021	23,021	(6,746)	1997
Bear Creek.......	Sheridan	CO	4,880	1,100	3,359	--	293	1,100	3,652	4,752	(962)	1998
Cimarron.........	Broomfield	CO	16,000	863	2,790	--	636	863	3,426	4,289	(2,356)	1983
Golden Terrace...	Golden	CO	14,400	826	2,415	--	797	826	3,212	4,038	(1,985)	1983
Golden Terrace South.........	Golden	CO	2,400	750	2,265	--	642	750	2,907	3,657	(822)	1997
Golden Terrace West..........	Golden	CO	16,800	1,694	5,065	--	1,055	1,694	6,120	7,814	(3,614)	1986
Hillcrest Village.......	Aurora	CO	27,200	1,912	5,202	289	2,455	2,201	7,657	9,858	(5,148)	1983
Holiday Hills....	Denver	CO	37,600	2,159	7,780	--	3,968	2,159	11,748	13,907	(7,648)	1983
Holiday Village CO...........	Co. Springs	CO	11,600	567	1,759	--	948	567	2,707	3,274	(1,703)	1983
Pueblo Grande....	Pueblo	CO	7,800	241	1,069	--	476	241	1,545	1,786	(1,030)	1983
Woodland Hills...	Denver	CO	8,164	1,928	4,408	--	2,466	1,928	6,874	8,802	(2,769)	1994
Aspen Meadows....	Rehoboth Beach	DE	5,620	1,148	3,460	--	389	1,148	3,849	4,997	(1,033)	1998
Camelot Meadows..	Rehoboth Beach	DE	7,201	527	2,058	1,251	3,820	1,778	5,878	7,656	(1,519)	1998
Mariners Cove....	Millsboro	DE	16,452	990	2,971	--	4,197	990	7,168	8,158	(3,154)	1987
McNicol..........	Rehoboth Beach	DE	2,710	563	1,710	--	78	563	1,788	2,351	(471)	1998
Sweetbriar.......	Rehoboth Beach	DE	3,040	498	1,527	--	412	498	1,939	2,437	(567)	1998
Waterford Estates.......	Bear	DE	30,954	5,250	16,202	--	732	5,250	16,934	22,184	(3,404)	1996

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Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property
Whispering Pines......	Lewes	DE	9,871	1,536	4,609	--	1,035
Barrington Hills - Sunburst...	Port Richey	FL	--	1,145	3,437	--	66
Bay Indies....	Venice	FL	42,740	10,483	31,559	10	4,040
Bay Lake Estates....	Nokomis	FL	3,707	990	3,390	--	1,014
Breezy Hill...	Pompano Beach	FL	9,860	5,510	16,555	--	176
Buccaneer.....	N. Ft. Myers	FL	13,793	4,207	14,410	--	1,580
Bulow Village....	Flagler Beach	FL	10,124	3,637	949	--	5,794
Bulow Village Resort.....	Flagler Beach	FL	--	--	228	--	81
Carefree Cove.......	Fort Lauderdale	FL	4,716	1,741	5,170	--	134
Carriage Cove.......	Daytona Beach	FL	7,927	2,914	8,682	--	921
Coachwood.....	Leesburg	FL	4,185	1,607	4,822	--	69
Coquina.......	St Augustine	FL	--	5,286	5,545	--	11,015
Coral Cay.....	Margate	FL	21,252	5,890	20,211	--	4,822
Country Place......	New Port Richey	FL	16,125	663	0	18	7,129
Country Side North......	Vero Beach	FL	17,117	3,711	11,133	--	2,479
Crystal Isles - Encore...	Crystal River	FL	2,796	926	2,787	--	27
Down Yonder...	Largo	FL	7,596	2,652	7,981	--	136
East Bay Oaks.......	Largo	FL	11,900	1,240	3,322	--	669
Eldorado Village....	Largo	FL	8,190	778	2,341	--	650
Fort Myers Beach Resort.....	Fort Myers Beach	FL	4,326	1,493	4,480	--	(120)
Glen Ellen....	Clearwater	FL	2,347	627	1,882	--	30
Grand Island..	Grand Island	FL	--	1,723	5,208	125	2,986
Gulf Air Resort - Sunburst...	Fort Myers Beach	FL	--	1,609	4,830	--	(117)
Gulf View - Encore.....	Punta Gorda	FL	1,646	717	2,158	--	64
Hacienda Village....	New Port Richey	FL	9,666	4,362	13,088	--	720
Harbor Lakes - Encore...	Port Charlotte	FL	--	3,384	10,154	--	68
Harbor View...	New Port Richey	FL	7,825	4,045	12,146	--	77
Heritage Village....	Vero Beach	FL	13,507	2,403	7,259	--	982
Highland Wood.......	Pompano Beach	FL	2,315	1,043	3,130	--	22
Hillcrest.....	Clearwater	FL	4,176	1,278	3,928	--	807
Holiday Ranch......	Largo	FL	3,732	925	2,866	--	257
Holiday Village....	Ormond Beach	FL	6,890	2,610	7,837	--	144
Holiday Village FL.........	Vero Beach	FL	--	350	1,374	--	191
Indian Oaks...	Rockledge	FL	4,838	1,089	3,376	--	758
Lake Fairways...	N. Ft. Myers	FL	30,460	6,075	18,134	35	1,556
Lake Haven....	Dunedin	FL	11,500	1,135	4,047	--	2,661

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Real Estate	Land	Depreciable Property	Total	Accumulated Depreciation	Date of Acquisition
Whispering Pines......	1,536	5,644	7,180	(3,047)	1998
Barrington Hills - Sunburst...	1,145	3,503	4,648	(203)	2004
Bay Indies....	10,493	35,599	46,092	(13,365)	1994
Bay Lake Estates....	990	4,404	5,394	(1,625)	1994
Breezy Hill...	5,510	16,731	22,241	(1,860)	2002
Buccaneer.....	4,207	15,990	20,197	(5,906)	1994
Bulow Village....	3,637	6,743	10,380	(1,630)	1994
Bulow Village Resort.....	--	309	309	(72)	2001
Carefree Cove.......	1,741	5,304	7,045	(296)	2004
Carriage Cove.......	2,914	9,603	12,517	(2,629)	1998
Coachwood.....	1,607	4,891	6,498	(311)	2004
Coquina.......	5,286	16,560	21,846	(2,105)	1999
Coral Cay.....	5,890	25,033	30,923	(8,426)	1994
Country Place......	681	7,129	7,810	(3,129)	1986
Country Side North......	3,711	13,612	17,323	(3,602)	1998
Crystal Isles - Encore...	926	2,814	3,740	(181)	2004
Down Yonder...	2,652	8,117	10,769	(906)	1998
East Bay Oaks.......	1,240	3,991	5,231	(2,723)	1983
Eldorado Village....	778	2,991	3,769	(1,958)	1983
Fort Myers Beach Resort.....	1,493	4,360	5,853	(282)	2004
Glen Ellen....	627	1,912	2,539	(201)	2002
Grand Island..	1,848	8,194	10,042	(1,157)	2001
Gulf Air Resort - Sunburst...	1,609	4,713	6,322	(310)	2004
Gulf View - Encore.....	717	2,222	2,939	(139)	2004
Hacienda Village....	4,362	13,808	18,170	(1,377)	2002
Harbor Lakes - Encore...	3,384	10,222	13,606	(653)	2004
Harbor View...	4,045	12,223	16,268	(1,366)	2002
Heritage Village....	2,403	8,241	10,644	(3,048)	1994
Highland Wood.......	1,043	3,152	4,195	(349)	2002
Hillcrest.....	1,278	4,735	6,013	(1,370)	1998
Holiday Ranch......	925	3,123	4,048	(857)	1998
Holiday Village....	2,610	7,981	10,591	(890)	2002
Holiday Village FL.........	350	1,565	1,915	(441)	1998
Indian Oaks...	1,089	4,134	5,223	(1,197)	1998
Lake Fairways...	6,110	19,690	25,800	(7,224)	1994
Lake Haven....	1,135	6,708	7,843	(3,539)	1983

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Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property
Lake Magic - Encore.......	Orlando	FL	--	1,595	4,793	--	(56)
Lakewood Village......	Melbourne	FL	9,818	1,862	5,627	--	962
Lazy Lakes - Sunburst.....	Florida Keys	FL	2,022	816	2,449	--	21
Lighthouse Pointe.......	Port Orange	FL	12,359	2,446	7,483	23	1,082
Manatee - Encore.......	Sarasota North	FL	--	2,300	6,903	--	181
Maralago Cay....	Lantana	FL	21,579	5,325	15,420	--	3,615
Meadows at Countrywood..	Plant City	FL	18,050	4,514	13,175	--	4,431
Mid-Florida Lakes........	Leesburg	FL	22,513	5,997	20,635	--	6,157
Oak Bend........	Ocala	FL	5,772	850	2,572	--	972
Oaks at Countrywood..	Plant City	FL	1,282	1,111	2,513	(265)	1,952
Park City West.........	Fort Lauderdale	FL	7,250	4,187	12,561	--	64
Pasco - Encore.......	Tampa North	FL	--	1,494	4,484	--	75
Pickwick........	Port Orange	FL	11,344	2,803	8,870	--	748
Pine Lakes......	N. Ft. Myers	FL	30,617	6,306	14,579	21	6,129
Pioneer Village - Sunburst.....	N. Ft. Myers	FL	10,245	4,116	12,353	--	706
Royal Coachman - Encore.....	Nokomis	FL	14,568	5,321	15,978	--	91
Shangri La......	Largo	FL	4,439	1,730	5,200	--	47
Sherwood Forest.......	Kissimmee	FL	22,933	4,852	14,596	--	4,107
Sherwood Forest Resort.......	Kissimmee	FL	3,789	2,870	3,621	568	1,526
Silk Oak........	Clearwater	FL	3,690	1,670	5,028	--	90
Silver Dollar...	Odessa	FL	9,027	4,107	12,431	--	388
Sixth Ave.......	Zephryhills	FL	2,232	839	2,518	--	9
Southern Palms........	Eustis	FL	5,572	2,169	5,884	--	1,790
Southernaire....	Mt. Dora	FL	2,066	798	2,395	--	21
Spanish Oaks....	Ocala	FL	12,600	2,250	6,922	--	930
Sunshine Holiday - Encore.......	Daytona Beach	FL	--	2,001	6,004	--	83
Sunshine Holiday RV & MHP........	Fort Lauderdale	FL	8,401	3,099	9,286	--	76
Sunshine Key....	Florida Keys	FL	16,310	5,273	15,822	--	93
Sunshine Travel - Encore.....	Vero Beach	FL	--	1,603	4,813	--	(15)
Terra Ceia......	Palmetto	FL	2,496	967	2,905	--	24
The Heritage....	N. Ft. Myers	FL	9,527	1,438	4,371	346	3,624
The Lakes at Country wood.........	Plant City	FL	9,593	2,377	7,085	--	1,169
The Meadows, FL..........	Palm Beach Gardens	FL	5,987	3,229	9,870	--	1,720
Toby's.........	Arcadia	FL	3,378	1,093	3,280	--	(320)
Topics RV.......	Spring Hill	FL	2,207	853	2,568	--	19
Tropical Palms........	Kissimmee	FL	19,595	5,677	17,071	--	415

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Real Estate	Land	Depreciable Property	Total	Accumulated Depreciation	Date of Acquisition

Lake Magic - Encore.......	1,595	4,737	6,332	(287)	2004
Lakewood Village......	1,862	6,589	8,451	(2,444)	1994
Lazy Lakes - Sunburst.....	816	2,470	3,286	(157)	2004
Lighthouse Pointe.......	2,469	8,565	11,034	(2,336)	1998
Manatee - Encore.......	2,300	7,084	9,384	(447)	2004
Maralago Cay....	5,325	19,035	24,360	(4,951)	1997
Meadows at Countrywood..	4,514	17,606	22,120	(4,175)	1998
Mid-Florida Lakes........	5,997	26,792	32,789	(9,079)	1994
Oak Bend........	850	3,544	4,394	(1,379)	1993
Oaks at Country wood.........	846	4,465	5,311	(856)	1998
Park City West.........	4,187	12,625	16,812	(804)	2004
Pasco - Encore.......	1,494	4,559	6,053	(289)	2004
Pickwick........	2,803	9,618	12,421	(2,489)	1998
Pine Lakes......	6,327	20,708	27,035	(7,279)	1994
Pioneer Village - Sunburst.....	4,116	13,059	17,175	(797)	2004
Royal Coachman - Encore.....	5,321	16,069	21,390	(1,024)	2004
Shangri La......	1,730	5,247	6,977	(334)	2004
Sherwood Forest.......	4,852	18,703	23,555	(4,711)	1998
Sherwood Forest Resort.......	3,438	5,147	8,585	(1,329)	1998
Silk Oak........	1,670	5,118	6,788	(529)	2002
Silver Dollar...	4,107	12,819	16,926	(818)	2004
Sixth Ave.......	839	2,527	3,366	(176)	2004
Southern Palms........	2,169	7,674	9,843	(2,002)	1998
Southernaire....	798	2,416	3,214	(155)	2004
Spanish Oaks....	2,250	7,852	10,102	(3,118)	1993
Sunshine Holiday - Encore.......	2,001	6,087	8,088	(385)	2004
Sunshine Holiday RV & MHP........	3,099	9,362	12,461	(518)	2004
Sunshine Key....	5,273	15,915	21,188	(1,018)	2004
Sunshine Travel - Encore.....	1,603	4,798	6,401	(310)	2004
Terra Ceia......	967	2,929	3,896	(189)	2004
The Heritage....	1,784	7,995	9,779	(2,768)	1993
The Lakes at Country wood.........	2,377	8,254	10,631	(1,341)	2001
The Meadows, FL...........	3,229	11,590	14,819	(2,496)	1999
Toby's..........	1,093	2,960	4,053	(233)	2003
Topics RV.......	853	2,587	3,440	(166)	2004
Tropical Palms........	5,677	17,486	23,163	(1,119)	2004

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Real Estate	Location	Encumbrances	Land	Depreciable Property	Land	Depreciable Property	Land	Depreciable Property	Total	Accumulated Depreciation	Date of Acquisition
Vacation Village - Sunburst...	St.Petersburg FL	2,433	1,315	3,946	--	35	1,315	3,981	5,296	(239)	2004
Windmill Manor......	Bradenton FL	8,798	2,153	6,125	--	1,214	2,153	7,339	9,492	(1,857)	1998
Windmill Village - Ft. Myers..	N. Ft. Myers FL	17,155	1,417	5,440	--	1,485	1,417	6,925	8,342	(4,653)	1983
Winds of St. Armands North (fka Windmill North)	Sarasota FL	20,200	1,523	5,063	--	1,924	1,523	6,987	8,510	(4,205)	1983
Winds of St. Armands South (fka Windmill South)	Sarasota FL	13,000	1,106	3,162	--	911	1,106	4,073	5,179	(2,593)	1983
Golf Vistas...	Monee IL	14,399	2,843	4,719	--	6,259	2,843	10,978	13,821	(2,523)	1997
O'Connell's...	Amboy IL	4,891	1,658	4,974	4	266	1,662	5,240	6,902	(367)	2004
Willow Lake Estates....	Elgin IL	21,521	6,138	21,033	--	4,143	6,138	25,176	31,314	(8,930)	1994
Lakeside......	New Carlisle IN	--	426	1,281	--	30	426	1,311	1,737	(86)	2004
Oak Tree Village....	Portage IN	9,680	--	--	569	3,638	569	3,638	4,207	(1,930)	1987
Old Chatham...	South Dennis MA	5,798	1,760	5,293	--	--	1,760	5,293	7,053	(73)	2005
Pinehirst RV.........	Old Orchard Beach ME	6,194	1,942	5,827	--	--	1,942	5,827	7,769	(81)	2005
Goose Creek Resort.....	Newport NC	12,334	4,612	13,848	756	77	5,368	13,925	19,293	(925)	2004
Twin Lakes....	Chocowinity NC	3,755	1,719	3,361	(11)	(5)	1,708	3,356	5,064	(221)	2004
Waterway RV Resort.....	Cedar Point NC	6,148	2,392	7,185	--	24	2,392	7,209	9,601	(464)	2004
Sandy Beach...	Contoocook NH	5,300	1,755	5,265	--	--	1,755	5,265	7,020	(73)	2005
Bonanza.......	Las Vegas NV	9,180	908	2,643	--	1,359	908	4,002	4,910	(2,395)	1983
Boulder Cascade....	Las Vegas NV	8,762	2,995	9,020	--	1,956	2,995	10,976	13,971	(2,688)	1998
Cabana........	Las Vegas NV	10,246	2,648	7,989	--	410	2,648	8,399	11,047	(3,224)	1994
Flamingo West.......	Las Vegas NV	10,498	1,730	5,266	--	1,293	1,730	6,559	8,289	(2,322)	1994
Villa Borega.....	Las Vegas NV	6,841	2,896	8,774	--	852	2,896	9,626	12,522	(2,600)	1997
Alpine Lake.......	Corinth NY	14,536	4,783	14,125	--	--	4,783	14,125	18,908	(196)	2005
Brennan Beach......	Pulaski NY	21,473	7,325	21,141	--	--	7,325	21,141	28,466	(294)	2005
Greenwood Village....	Manorville NY	17,222	3,667	9,414	484	3,722	4,151	13,136	17,287	(3,066)	1998
Lake George Escape.....	Lake George NY	--	3,558	10,708	--	--	3,558	10,708	14,266	(119)	2005
Falcon Wood Village....	Eugene OR	5,200	1,112	3,426	--	262	1,112	3,688	4,800	(1,033)	1997
Mt. Hood Village....	Welches OR	--	1,817	5,733	--	(268)	1,817	5,465	7,282	(744)	2002
Quail Hollow.....	Fairview OR	--	--	3,249	--	254	--	3,503	3,503	(986)	1997
Shadowbrook...	Clackamas OR	6,320	1,197	3,693	--	185	1,197	3,878	5,075	(1,143)	1997
Green Acres...	Breinigsville PA	30,560	2,680	7,479	--	2,982	2,680	10,461	13,141	(5,447)	1988
Spring Gulch......	New Holland PA	4,754	1,593	4,795	--	47	1,593	4,842	6,435	(327)	2004
Country Sunshine-Sunburst...	Weslaco TX	2,266	627	1,881	--	38	627	1,919	2,546	(122)	2004
Fun n Sun.....	San Benito TX	--	2,533	--	417	9,936	2,950	9,936	12,886	(2,557)	1998
Lakewood-Sunburst...	Harlingen TX	--	325	979	--	65	325	1,044	1,369	(64)	2004

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Real Estate	Location		Encumbrances	Land	Depreciable Property	Land	Depreciable Property	Land	Depreciable Property	Total
Paradise Park.........	Rio Grande Valley	TX	5,225	1,568	4,705	--	23	1,568	4,728	6,296
Paradise South - Encore.....	Mercedes	TX	1,619	448	1,345	--	35	448	1,380	1,828
Southern Comfort......	Weslaco	TX	2,590	1,108	3,323	--	36	1,108	3,359	4,467
Sunshine RV - Encore.....	Harlingen	TX	--	1,494	4,484	--	13	1,494	4,497	5,991
Tropic Winds....	Harlingen	TX	--	1,221	3,809	--	122	1,221	3,931	5,152
All Seasons.....	Salt Lake City	UT	3,491	510	1,623	--	221	510	1,844	2,354
Westwood Village......	Farr West	UT	7,387	1,346	4,179	--	1,214	1,346	5,393	6,739
Meadows of Chantilly....	Chantilly	VA	34,800	5,430	16,440	--	4,634	5,430	21,074	26,504
Kloshe Illahee......	Federal Way	WA	5,935	2,408	7,286	--	318	2,408	7,604	10,012
Caledonia.......	Caledonia	WI	--	376	1,127	10	31	386	1,158	1,544
Fremont.........	Fremont	WI	4,252	1,432	4,296	5	62	1,437	4,358	5,795
Yukon Trails.......	Lyndon Station	WI	--	547	1,629	9	82	556	1,711	2,267
Thousand Trails.......	Various		--	48,537	113,253	101	391	48,638	113,644	162,282
Subtotal of Properties Held for Long Term..			1,485,562	481,525	1,401,291	4,774	211,905	486,299	1,613,196	2,099,495
PROPERTIES HELD FOR SALE										
Holiday Village, IA (6).......	Sioux City	IA	--	313	3,744	--	531	313	4,275	4,588
Forest Oaks (fka Burns Harbor) (6)..........	Chesterton	IN	--	916	2,909	--	1,754	916	4,663	5,579
Windsong (6)..........	Indianapolis	IN	--	1,482	4,480	--	212	1,482	4,692	6,174
Creekside (6)..........	Wyoming	MI	3,760	1,109	3,646	--	153	1,109	3,799	4,908
Casa Village (6)..........	Billings	MT	11,029	1,011	3,109	157	3,675	1,168	6,784	7,952
Del Rey (6).....	Albuquerque	NM	--	1,926	5,800	--	727	1,926	6,527	8,453
Subtotal of Properties Held for Sale......			14,789	6,757	23,688	157	7,052	6,914	30,740	37,654
Realty Systems, Inc.			--	--	--	--	4,705	--	4,705	4,705
Management Business			--	--	436	--	10,277	--	10,713	10,713
INVESTMENT IN REAL ESTATE..-....			$1,500,351	$488,282	$1,425,415	$4,931	$233,939	$493,213	$1,659,354	$2,152,567

Real Estate	Accumulated Depreciation	Date of Acquisition
Paradise Park........	(302)	2004
Paradise		

South - Encore....	(87)	2004
Southern Comfort.....	(213)	2004
Sunshine RV - Encore....	(287)	2004
Tropic Winds...	(485)	2002
All Seasons....	(559)	1997
Westwood Village.....	(1,578)	1997
Meadows of Chantilly...	(7,499)	1994
Kloshe Illahee.....	(2,111)	1997
Caledonia......	(44)	2004
Fremont........	(160)	2004
Yukon Trails......	(71)	2004
Thousand Trails......	(4,402)	2004
Subtotal of Held for	(354,180)	
PROPERTIES HELD FOR SALE		
Holiday Village, IA (6)......	(2,590)	1986
Forest Oaks (fka Burns Harbor) (6).........	(1,965)	1993
Windsong (6).........	(1,318)	1998
Creekside (6).........	(929)	1998
Casa Village (6).........	(3,174)	1983
Del Rey (6)....	(2,661)	1993
Subtotal of Properties Held for Sale.....	(12,637)	
Realty Systems, Inc.	(345)	2002
Management Business	(11,163)	1990
INVESTMENT IN REAL ESTATE......	($378,325)	

NOTES:

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

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

(3) The balance of furniture and fixtures included in the total amounts was approximately $24.8 million as of December 31, 2005.

(4) The aggregate cost of land and depreciable property for federal income tax purposes was approximately $2.1 billion, as of December 31, 2005.

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

(6) These properties were held for sale as of December 31, 2005, pursuant to FAS 144.

SCHEDULE III
EQUITY LIFESTYLE PROPERTIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

The changes in total real estate for the years ended December 31, 2005, 2004 and 2003 were as follows:

	2005	2004	2003
Balance, beginning of year ..	$2,035,790	$1,309,705	$1,296,007
Acquisitions	90,109	702,538	12,116
Improvements	32,927	27,082	15,569
Dispositions and other ...	(6,259)	(3,535)	(13,987)
Balance, end of year	$2,152,567	$2,035,790	$1,309,705

The changes in accumulated depreciation for the years ended December 31, 2005, 2004 and 2003 were as follows:

	2005	2004	2003
Balance, beginning of year ..	$322,867	$272,497	$238,098
Depreciation expense	56,822	50,551	38,640
Dispositions and other ...	(1,364)	(181)	(4,241)
Balance, end of year	$378,325	$322,867	$272,497

EXHIBIT 10.5

AMENDMENT TO SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP FOR MHC OPERATING LIMITED PARTNERSHIP

THIS AMENDMENT TO SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP FOR MHC OPERATING LIMITED PARTNERSHIP (this "Amendment") is entered into and shall be effective for all purposes as of the 27th of February, 2004, by and between MHC Trust, a Maryland real estate investment trust (the "General Partner" or "MHC Trust"), the incoming General Partner of MHC Operating Limited Partnership, an Illinois limited partnership (the "Partnership") and Manufactured Home Communities, Inc., a Maryland corporation ("MHC, Inc."), as the withdrawing General Partner of the Partnership.

W I T N E S S E T H:

WHEREAS, the Partnership is governed by that certain Second Amended and Restated Agreement of Limited Partnership dated as of March 15, 1996, as amended (collectively, the "Partnership Agreement") (capitalized terms used but not defined herein have the meanings set forth in the Partnership Agreement);

WHEREAS, pursuant to that certain Assignment and Assumption Agreement of even date herewith, MHC, Inc., has assigned its entire Partnership Interest in the Partnership to MHC Trust and withdrawn as the General Partner of the Partnership;

WHEREAS, pursuant to Sections 16.2 and 16.5 of the Partnership Agreement, the Partners have consented to this Amendment; and

WHEREAS, the Partners desire to amend the Partnership Agreement to reflect the withdrawal of MHC, Inc. as the General Partner and the admission of MHC Trust as a substitute General Partner of the Partnership and certain other changes.

NOW, THEREFORE, in consideration of the mutual promises herein contained and intending to be legally bound hereby, the Partners agree as follows:

1. The Partners hereby ratify and approve the transfer and assignment by MHC, Inc. of its entire Partnership Interest to MHC Trust.

2. The Partners hereby admit MHC Trust as a substitute General Partner of the Partnership, effective as of the date hereof. MHC Trust hereby accepts and agrees to be bound by the terms and conditions of the Partnership Agreement, as amended hereby. All of the

requirements contained in the Partnership Agreement relating to the transfer and assignment of such Partnership Interest and such admission have been satisfied or waived.

3. Notwithstanding anything contained to the contrary in the Partnership Agreement, for all purposes of the Partnership Agreement, the term "General Partner" shall refer only to "MHC Trust" and the term "Company" shall refer only to "MHC, Inc."

4. MHC Trust and MHC, Inc. shall file a Certificate of Amendment to the Certificate of Limited Partnership with the Secretary of State of Illinois reflecting the admission of MHC Trust as the substitute General Partner and the withdrawal of MHC, Inc. as the General Partner of the Partnership.

5. The Partnership Agreement is hereby further amended as follows:

(i) Section 2 is hereby amended as follows:

a. The definition of "Company" is hereby amended by deleting the following phrase "and the General Partner of the Partnership."

b. The definition of "General Partner" is hereby deleted in its entirety and the following inserted in lieu thereof: "General Partner" shall mean MHC Trust, a Maryland real estate investment trust."

c. A new definition shall be inserted as follows: "MHC Trust" shall mean MHC Trust, a Maryland real estate investment trust.

(ii) Section 3.2(B)(i) is hereby deleted in its entirety and the following inserted in lieu thereof: "OP Units to MHC Trust, upon the issuance by MHC Trust of additional Common Shares to the Company following the issuance by the Company of additional Common Shares (other than in exchange for OP Units) and the contribution of the net proceeds thereof as a Capital Contribution by the Company to MHC Trust and the contribution of such proceeds by MHC Trust to the Partnership as provided for in Section 3.3(B) below, it being understood, however, that the Company may issue Common Shares in connection with share option plans, dividend reinvestment plans, restricted share plans or other benefit or compensation plans (for example, shares issued in lieu of fees or compensation) without receiving any proceeds and that the issuance of such Common Shares shall nonetheless entitle MHC Trust to additional OP Units pursuant to this clause (i);"

(iii) Section 3.2(B)(ii), (iii) and (v) are hereby amended by deleting the following phrase "(including the Company)" where it appears and inserting the following in lieu thereof: "(including MHC Trust)" .

(iv) Section 3.2(B)(iv) is hereby deleted in its entirety and the following inserted in lieu thereof: "(iv) Preference Units to MHC Trust upon the issuance by the Company of securities other than Common Shares (whether debt or equity securities) (`Other Securities') and the contribution of the net proceeds thereof as a Capital Contribution to MHC Trust and the contribution of such net proceeds by MHC Trust to the Partnership as provided for in Section 3.3(8) below; and"

(v) Section 3.2(B)(a) is hereby deleted in its entirety and the following inserted in lieu thereof: "the number of OP Units issued to MHC Trust under clause (i) of this section 3.2(B) shall be equal to the number of Common Shares issued by the Company;"

(vi) Section 3.2(C) is hereby amended as follows:

a. Commencing with the second sentence thereof, the language "Such right may be exercised by a Limited Partner at any time and from time to time upon not less than ten (10) days prior written notice to the Company. Upon receipt of such a request, the Company may, in its discretion, in lieu of issuing Common Shares, cause the Partnership" is hereby amended to read as follows: "Such right may be exercised by a Limited Partner at any time and from time to time upon not less than ten (10) days prior written notice to the General Partner and the Company. Upon receipt of such a request, the Company may, in its discretion, in lieu of issuing Common Shares, cause the General Partner to cause the Partnership".

b. The following language contained therein: "the term `Company' or `General Partner' shall thereafter be deemed to refer to the `Successor Issuer', except in each case as the context may otherwise require to accomplish the purpose and intent of the applicable provision. In the event the Company issues any Common Shares in exchange for OP Units pursuant to this Section 3.2(C), the General Partner shall record the transfer on the books of the Partnership so that the Company is thereupon the owner and holder of such OP Units." shall be amended to read as follows: "the term `Company' shall thereafter be deemed to refer to the `Successor Issuer', except in each case as the context may otherwise require to accomplish the purpose and intent of the applicable provision. In the event the Company issues any Common Shares in exchange for OP Units pursuant to this Section 3.2(C), the Company shall contribute such OP Units to MHC Trust, and the General Partner shall record the transfer on the books of the Partnership so that MHC Trust is thereupon the owner and holder of such OP Units."

(vii) Section 3.2(D) is hereby deleted in its entirety and the following inserted in lieu thereof: "D. The General Partner shall cause the Partnership to issue to MHC Trust rights, options or warrants to acquire OP Units or Preference Units that correspond to rights, options or warrants to acquire Common Shares or Other Securities issued by MHC Trust, that correspond to rights, options or warrants to acquire Common Shares or Other Securities issued by the Company. Such rights, options or warrants issued by the Partnership shall have designations, preferences and other rights such that the economic interests are substantially similar to the corresponding rights, options or warrants issued by MHC Trust, and the rights, options or warrants issued by MHC Trust shall have designations, preferences and other rights such that the economic interests are substantially similar to the corresponding rights, options or warrants issued by the Company. In accordance with Section 3.3(B) below, the Company shall contribute the net proceeds of the issuance of the corresponding rights, options or warrants and from the exercise of the corresponding rights, options or warrants to MHC Trust, and MHC Trust shall contribute the net proceeds of the issuance of the corresponding rights, options or warrants and from the exercise of the corresponding rights, options or warrants to the Partnership, it being understood, however, that the Company may issue options to acquire Common Shares in connection with benefit or compensation plans without receiving any proceeds and that the issuance of such options shall nonetheless entitle the Company to receive, without consideration therefor, corresponding options to acquire MHC Trust stock and shall nonetheless entitle MHC Trust to receive, without consideration therefor, corresponding options to acquire OP Units pursuant to this Section 3.2(D)."

(viii) Section 3.3(B) is hereby deleted in its entirety and the following inserted in lieu thereof: "B. Except for (i) the capitalization of any entity wholly owned by the General Partner which is (a) the general partner of a partnership having the Partnership as a limited partner, or (b) the equity interest holder of another entity having the Partnership as an equity interest holder, (ii) the net proceeds generated by the issuance of Other Securities that evidence debt (and are not equity securities) that are loaned by the Company to MHC Trust and by MHC Trust to the Partnership, and (iii) where, in the good faith opinion of the Company, the net proceeds generated by the issuance of Other Securities (whether for debt or equity) are retained by the Company for a valid business reason consistent with the purposes of the Partnership and such retention does not materially adversely affect the Limited Partners, the net proceeds of any and all funds raised by or through the Company through the issuance of Common Shares or Other Securities, or upon the issuance or exercise of rights, options or warrants to acquire Common Shares or Other Securities issued by the Company, shall be contributed by the Company to MHC Trust as additional Capital Contributions and shall be contributed by MHC Trust to the Partnership as additional Capital Contributions, and in such event MHC Trust shall be issued either additional Units pursuant to Section 3.2(8) above, or rights, options or warrants pursuant to Section 3.2(D) above."

(ix) Section 3.3(C) is hereby deleted in its entirety and the following inserted in lieu thereof: "C. If the General Partner creates and administers a reinvestment program in substantial conformance with a dividend reinvestment program which may be available from time to time to holders of the Common Shares, each Limited Partner holding OP Units shall have the right to reinvest any or all cash distributions payable to it from time to time pursuant to this Agreement by having some or all (as the Limited Partner elects) of such distributions contributed to the Partnership as additional Capital Contributions, and in such event the Partnership shall issue to each such Limited Partner additional OP Units pursuant to clause (iii) of Section 3.2(B) above, or the General Partner may elect to cause distributions with respect to which a Limited Partner has elected reinvestment to be contributed to the Company in exchange for the issuance of Common Shares. Pursuant to Section 3.2(B)(iii), any OP Units issued to the Company shall be contributed to MHC Trust, and the General Partner shall record the transfer on the books of the Partnership so that MHC Trust is thereupon the owner and holder of such OP Units. At the option of the General Partner, such a program may also be made available with respect to Preference Units."

(x) Section 3.8 is hereby deleted in its entirety and the following inserted in lieu thereof: "Redemption and Repurchase of Units. In the event of the proposed repurchase or redemption for cash by the Company of (i) Common Shares, or (ii) Other Securities, with respect to which the General Partner had previously been issued Preference Units pursuant to Section 3.2(B)(iv) above, then, in such event, the Partnership shall provide cash to the General Partner equal to the proposed repurchase or redemption price which cash shall be distributed by the General Partner to the Company, and one OP Unit (or, in the case of redemption or repurchase by the Company of Other Securities contemplated by clause (ii) above, one Preference Unit which had been issued with respect to such Other Securities) shall be cancelled with respect to each Common Share (or unit of Other Securities) so repurchased or redeemed."

(xi) Sections 9.6(i) and 9.6(ii) are hereby amended by replacing all references therein to "the Company" with "the General Partner."

(xii) Section 9.7(E) is hereby deleted in its entirety and the following inserted in lieu thereof: "E. The General Partner may loan to the Partnership the net proceeds of loans obtained or debt securities issued by the General Partner, representing the net proceeds of loans obtained or debt securities issued by the Company, so long as the terms of such loans to the Partnership are substantially equivalent to those of the corresponding loans obtained or debt securities issued by the General Partner and by the Company."

(xiii) Section 9.9 is hereby deleted in its entirety and the following inserted in lieu thereof: "9.9 General Partner Expenses and Liabilities. All costs and expenses incurred by the General Partner in connection with its activities as the General Partner hereunder, all costs and expenses incurred by the General Partner and the Company in connection with their continued corporate existence, qualification as a real estate investment trust under the Code and otherwise, and all other liabilities incurred or suffered by the General Partner or the Company in connection with the pursuit of their respective business and affairs as contemplated hereunder and in connection herewith, shall be paid (or reimbursed to the General Partner or Company, if paid by each respectively) by the Partnership unless and to the extent that any such costs were paid by the Company in connection with the issuance of additional shares of stock of the Company as contemplated by Section 3.3(B) above. Notwithstanding anything to the contrary contained herein, this Section 9.9 shall apply only to the extent that such costs, expenses or liabilities exceed any cash distributed to the General Partner by any wholly-owned subsidiary of the General Partner.

6. The Partnership Agreement, as amended hereby, is ratified and affirmed in all respects and shall continue in full force and effect.

IN WITNESS WHEREOF and pursuant to Section 16 of the Partnership Agreement, the General Partner on behalf of all Partners has executed and certified this Amendment as of the date first above written.

GENERAL PARTNER

MHC TRUST, a Maryland real estate investment trust, as General Partner of the Partnership

By: /s/ David W. Fell

Name: David W. Fell

Title: Vice President

WITHDRAWING GENERAL PARTNER

MANUFACTURED HOME COMMUNITIES, INC., a Maryland corporation, as Withdrawing General Partner of the Partnership

By: /s/ Michael Berman

Name: Michael Berman

Title: Vice President, Treasurer and Chief Financial Officer

EXHIBIT 12

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

	2005	2004	2003	2002	2001
Income from continuing operations before allocation to minority interests	$ 7,277	$ 14,513	$ 28,431	$ 32,674	$ 43,685
Fixed Charges	114,806	102,218	69,458	61,977	62,539
Earnings	$122,083	$116,731	$ 97,889	$ 94,651	$106,224
Interest incurred	97,983	88,801	53,180	49,714	50,179
Amortization of deferred financing costs	2,849	2,169	5,026	1,011	1,108
Perpetual Preferred OP unit Distributions	13,974	11,248	11,252	11,252	11,252
Fixed Charges	$114,806	$102,218	$ 69,458	$ 61,977	$ 62,539
Earnings/Fixed Charges	1.06	1.14	1.41	1.53	1.70

EXHIBIT 14

EQUITY LIFESTYLE PROPERTIES, INC.
BUSINESS ETHICS AND CONDUCT POLICY

REVISED JULY 2005

The enclosed Business Ethics and Conduct Policy sets forth certain guidelines Equity LifeStyle Properties, Inc. expects its officers, directors and employees to follow in the conduct of its business. Each officer, director and employee of Equity LifeStyle Properties, Inc. and its subsidiaries must complete and sign the acknowledgement card enclosed herein. This acknowledgement should be returned to the General Counsel's office in Chicago.

I. INTRODUCTION

This Policy sets forth the basic guidelines which Equity LifeStyle Properties, Inc. and its subsidiaries (collectively, the "Company") expects its officers, directors, management, and other employees to follow in conducting business on behalf of the Company with the Company's customers, the general public, creditors, suppliers and competitors, governmental entities and with fellow Company personnel. This Policy supplements and is in addition to the information contained in the Employee Handbook previously distributed to you. The Company reserves the right to modify this Policy from time to time.

No policy can be complete in all respects. Good judgment based upon an understanding of the laws, regulations, and canons of ethics is the best safeguard against improper or unethical conduct. Each employee is expected to attain a level of understanding of this Policy which will permit the proper exercise of such judgment, and to seek legal counsel in those circumstances where such judgments could be questioned.

The Company's internal auditors and legal staff will monitor compliance with this Policy to assure that the Company conducts itself in a manner consistent with its obligations to society and its stockholders. In addition, those with management responsibilities within any area covered by this Policy may periodically be required to complete the "Management Representation of Compliance with Company Policies" - a written assurance of compliance with the legal and ethical principles set forth in this Policy. The form of this questionnaire is set forth at the end of this Policy.

A. GENERAL POLICY

The Company and its personnel will at all times transact business in full compliance with the law and in accordance with the highest principles of honesty and ethical conduct. Each employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

These Policy guidelines are to be strictly adhered to at all times and under all circumstances. Policy violations will result in disciplinary action, including, if appropriate, discharge from employment.

B. SCOPE

The guidelines set forth in this Policy apply to all Company personnel and all Company related transactions. Every director, officer and employee must be familiar with and comply with this Policy. Moreover, those with supervisory responsibilities must ensure that employees under their direction or control are acquainted with applicable portions of the Policy. Company officers and directors should also be aware that there are special legal requirements, not covered by this Policy, which apply to corporate fiduciaries.

The Company's commitment to full compliance applies to all applicable laws, regulations and judicial decrees of the United States (federal, state and local) and of other countries where the Company transacts its business. Portions of this Policy concentrate on laws and regulations which are particularly relevant to our business activities; however, this special emphasis on relevant areas of law does not limit the general policy requiring full compliance with all applicable laws and regulations.

In addition to compliance with all legal requirements, each officer, director and employee must adhere to the overriding ethical and professional standards generally governing the conduct of business. The Company's interests are not served by any unethical practice or activity even though not in technical violation of the law.

C. EFFECT OF POLICY VIOLATION

Any knowing violation of the laws, regulations, or principles of ethics set forth in this Policy will be grounds for disciplinary action or dismissal from employment, and may subject the employee or former employee to civil liability and/or criminal prosecution under appropriate law. Any employee who knowingly authorizes or permits another to engage in a violation will also be subject to disciplinary action, dismissal, and other penalties.

D. EMPLOYEE RESPONSIBILITIES AND RIGHTS UNDER POLICY

Every employee is obliged to strictly adhere to this Policy at all times and under all circumstances. Any employee who is aware of violations or potential violations of laws, rules, regulations or this Policy has a duty to advise his supervisor, or the General Counsel's office. Further, any uncertainties regarding legal or ethical issues involving Company affairs or doubts about the best course of action in a particular situation requires the employee to seek the advice of the General Counsel's office for clarification. An error in failing to secure advice or report policy violations could be costly to the individual and to the Company.

It is the right of every employee to report other persons' (individual or Company) violations or seek the advice of the General Counsel's office without risk to the employee's job status or position by reason of such report or inquiry. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

E. DEFINITIONS

The terms "personnel" and "employee" apply to all Company officers, directors, managers, and other employees. "General Counsel's office" refers to the internal legal counsel of the Company.

F. ADDITIONAL INFORMATION

Additional copies of this Policy are available from the Human Resources Department or the General Counsel's office. Any employee in doubt about whether this Policy applies to a particular transaction or uncertain about the proper course of conduct to follow, should contact the General Counsel's office which is available to answer questions and provide guidance.

II. CONFLICTS OF INTEREST, CORPORATE OPPORTUNITIES AND VIOLATIONS OF TRUST

A. GENERAL

The Company is determined to build and maintain a high standard of business ethics in the conduct of its affairs. Accordingly, this places a heavy responsibility on all employees of the Company on whose character and judgment the confidence of the public ultimately depends. The responsibility is shared by all employees, but obviously it rests in special measure on the directors and officers of the Company and on those management employees by whose decisions and advice the Company is guided.

This portion of the Policy deals with one aspect of that responsibility - - the avoidance of circumstances which might, in fact or in appearance, cause an individual to place his or her own interest above his or her obligations to the Company. The words "in appearance" should be noted particularly since the appearance of an action might tend to impair confidence even though the individual may not actually do anything wrong. The requirements of this Policy Statement are in addition to any provisions of law pertaining to this subject.

For the purpose of this Policy, the interest of each director, officer or employee includes any interests of their immediate family: (a) spouse and children under the age of eighteen (18) and (b) children who are eighteen (18) years of age or older, parents, siblings, mothers and fathers-in-law, sons and daughters-in-law and brothers and sisters-in-law provided that the director, officer or employee has knowledge of such persons conflict of interest under this Policy.

1. FINANCIAL INTERESTS IN COMPANY TRANSACTIONS

It is the duty of each director, officer and employee to avoid having any financial interest in any transaction between the Company, any of its subsidiaries and a third party which might conflict with the proper performance of his or her corporate duties or responsibilities, or which might tend to adversely affect his or her independent judgment with respect to such transaction.

Accordingly, (a) unless, in the case of directors and officers, specifically approved by the Board of Directors after full disclosure of all relevant facts or (b) unless, in the case of other employees, specifically approved by appropriate supervisors (i.e. Regional Vice President and Executive Vice President-Operations) and the General Counsel, and if necessary as determined by such supervisors and General Counsel, approved by the Board of Directors of the Company after full disclosure of all relevant facts:

a. No director, officer or employee shall own a direct or indirect interest in any supplier, contractor, subcontractor, competitor, customer or other entity with which the Company does business.

This Policy is not intended to preclude ownership of publicly-traded securities of a corporation with which the Company or any of its subsidiaries has dealings; nor is it intended to preclude ownership of other security holdings which could not be used to exert any influence whether because of their relatively small size or because of the insignificance of the company's dealings with the Company. Accordingly, ownership of securities which are traded on a public stock exchange and ownership of securities where the aggregate amount owned by the director, officer or employee constitutes less than two and one half percent (2.5%) of the securities shall not be deemed to involve financial interest prohibited by this Policy.

The above exception notwithstanding, purchases and sales of securities and other property should be avoided which are so timed in relation to the Company's or any of its subsidiaries' operations that they might be regarded or viewed as attempting to profit by using improperly obtained special knowledge of the Company's investment intentions or other confidential information obtained by reason of official positions.

b. No director, officer or employee shall acquire property with the knowledge that its value is likely to be benefited by action that the individual is aware is being considered by the Company.

c. No director, officer or employee shall acquire any property where confidential or unpublished information, obtained through the Company or in course of performing duties for the Company, has in any way been utilized in such acquisition.

d. No director, officer or employee shall appropriate or divert to others any business opportunity in which it is known or could reasonably be anticipated that the Company would be interested.

e. No employee may use corporate property, information or position for improper personal gain, and no employee may compete with the Company directly or indirectly. Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

f. No officer or employee shall be employed by or hold any officership, directorship, partnership or other official position in a business or professional firm or corporation outside of the Company, without the consent of the Audit Committee of the Board of Directors of the Company.

g. All officers and full time employees should avoid outside business activities which may conflict with their ability to devote their efforts full-time to the business of the Company.

In many cases, a potential conflict of interest or violation of trust may be avoided by making a full disclosure of the facts prior to any transaction thereby permitting the Company to make an informed, independent decision regarding the transaction. Such disclosure should be made to the General Counsel's office via use of the Related Party Disclosure form or other direct communication with the General Counsel. The Company reserves the right to condition the approval of any specific transaction on such terms and conditions as the Company in its sole discretion may require including, but not limited to, specific financial reporting and audit requirements.

2. BENEFITS, FAVORS, GIFTS AND ENTERTAINMENT

It is the duty of each director, officer or employee to avoid receipt of benefits, favors, gifts and entertainment which might conflict with the proper performance of his or her corporate responsibilities, or which might tend to adversely affect his or her independent judgment on behalf of the Company or any of its subsidiaries.

If the benefit, favor or gift is more than a token gift of insubstantial value and is offered in return for or in expectation of corporate business, it should not be accepted. In regard to acceptance of business entertainment, it is recognized that entertainment often may be incidental to business relationships of value to the Company. But expensive hospitality should not be accepted unthinkingly. Before expensive hospitality is accepted, the individual should be satisfied that it is consistent with the best interests of the Company and consistent with this Policy.

3. DISCLOSURE

It is the duty of each director, officer or employee, when he or she finds that he or she has an interest or affiliation which might conflict with the proper performance of his or her corporate duties or responsibilities or which might tend to adversely affect his or her independent judgment on behalf of the Company, or when he or she finds himself or herself in doubt as to the proper application of this Policy, to report the facts to the General Counsel or Chairman of the Audit Committee and be guided by the instructions he or she receives from the General Counsel or Chairman. Except as otherwise directed by those instructions, he or she should refrain from participating in any matters which might reasonably be affected by his or her adverse interest. The Chairman of the Audit Committee will advise the auditors of the Company of any matters approved by the Board of Directors pursuant to this Policy.

B. SPECIFIC EXAMPLES OF CONFLICTS OR VIOLATIONS

It may be considered to be in conflict with the Company's interest, or a violation of trust for a director, officer or employee or any immediate member of their family:

1. to have an undisclosed interest in or involvement with any organization which has business dealings with the Company where there is an opportunity for preferential treatment to be given or received, except where such an interest comprises securities in widely-held corporations which are quoted and sold on the open market and the interest is not material (less than two and one half percent of the outstanding securities);

2. to buy, sell or lease any kind of property, facilities or equipment from or to the Company or to any company, firm or individual who is or is seeking to become a contractor, supplier or customer without disclosing (and obtaining permission) prior thereto;

3. to accept commissions, a share in profits (other than dividends or interest on securities of widely-held corporations) or other payments, loans (other than with established banking or financial institutions), services, excessive entertainment and travel, or gifts of more than nominal value, from any individual or organization doing or seeking to do business with the Company; or

4. to take advantage of any opportunity for personal gain that rightfully belongs to the Company. This would include business opportunities of which an employee becomes aware because of their employment by the Company. Such opportunities must be offered to the Company.

C. EFFECT OF VIOLATIONS

As with any other violation of Policy, a violation of the above conflict of interest and corporate opportunity provisions will be grounds for disciplinary action including possible dismissal from employment, and may subject the director, officer or employee to civil liability and/or criminal prosecution under appropriate law. Even so, not every potential conflict of interest is a Policy violation - under some circumstances following a full disclosure by the director, officer or employee, the Board of Directors or senior management of the Company, as provided in this Policy, may determine to engage in a particular transaction which is beneficial to the Company notwithstanding the potential conflict or to permit the director, officer or employee to engage in such transaction. In such a case, the above conflict of interest provisions are not violated. Therefore, the effect of a particular conflict of interest will depend upon the nature of the conflict, its disclosure by the director, officer or employee, its effect upon the Company and the means available to recompense loss or prevent future injury.

III. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

A. COMPLIANCE WITH GOVERNMENTAL AUTHORITY

The Company and its directors, officers and employees shall comply with the laws, regulations, decrees and orders of every governmental agency, regulatory authority, and judicial body having jurisdiction over the Company's operations. The Company holds information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws. The Company shall cooperate with governmental agencies in the proper performance of their duties to the fullest extent possible. To ensure the Company's compliance and cooperation commitment is satisfied, the General Counsel's office should be immediately informed of any governmental request or inquiry.

B. ANTITRUST AND TRADE REGULATION

Every officer, director, and employee of the Company shall at all times abide by the antitrust laws and trade regulations of the United States. Violations of the antitrust laws or trade regulations may subject the Company to fines, injunctions and substantial monetary damages. Moreover, violations of certain antitrust laws are considered felonies, exposing an employee to the risk of fine and/or imprisonment.

C. RELATIONSHIPS WITH GOVERNMENTAL OFFICIALS

Payments (regardless of amount), entertainment (other than meals where Company-related work activities are conducted), or gifts (of more than nominal value) to government officials and other government personnel of the United States and other domestic or foreign jurisdictions, regardless of motive, are viewed by the Company as improper and not permitted. The Company's relationship with public officials shall in all respects be of such a nature that the integrity and reputation of the officials and the Company will not be impugned in the event the full details of the relationship, including any gifts or entertainment, become a matter of public discussion.

IV. EMPLOYMENT AND PERSONNEL PRACTICES

A. GENERAL

Every officer, director, and employee of the Company shall at all times abide by the strict legal requirements governing employment practices and employee relations. In addition, every person coming in contact with the Company, as an employee, customer, supplier, candidate for employment, or other third party, shall be treated fairly, courteously and respectfully. The Company has previously published its policies on discrimination and harassment as well as on the employment relationship in the Human Resources Policies and Procedures Manual and this Policy is meant as a supplement to such previously published policies.

B. NON-DISCRIMINATION

The Company shall not discriminate against any person on the basis of race, religion, national origin, age, sex, disability or veteran's status or other characteristic or status protected by applicable law. This prohibition on discrimination applies to practices in recruiting, employment, training, promotion, working conditions, compensation, benefits, job rules, discipline, and all other aspects of employment and employee relations.

C. HARASSMENT

The Company is committed to maintaining a work environment that is free from intimidation and harassment. Company policy prohibits sexual, racial, and other unlawful harassment in the work place. The Company will not tolerate undue influence, offensive behavior, sexual harassment, intimidation, or other disrespectful conduct by one employee toward another or by an employee toward a customer or supplier. Neither shall any employment or employee relations matter be decided based upon the existence or non-existence of any personal non-business relationship between employees.

D. EMPLOYMENT CONTRACTS

The Company shall not enter into any contract of employment without the prior written approval of the Compensation Committee of the Board of Directors of the Company.

E. EMPLOYEE RECORD CONFIDENTIALITY

The personnel records of all Company employees shall be treated as the confidential information of the Company. No Company officer, director or employee shall copy or release any personnel or salary record to any third party, nor shall any private personal information contained in any personnel record be disclosed to any third party without the prior written approval of the General Counsel's office. Employees with authorized access to personnel or salary records shall institute measures to prevent the disclosure of any such records under their control.

V. TRANSACTIONS IN SECURITIES

A. TRADING IN COMPANY SECURITIES

Directors, officers and employees are prohibited from trading in Company securities when they have material information which is not publicly known. Information is considered material if it is important enough to affect a decision by anyone to buy, sell or hold securities. Even when a director, officer or employee lacks undisclosed material information, it is a prudent practice to trade only when it is unlikely there is any unannounced material information anywhere within the Company. Therefore, it is the Company's policy that each Company director, officer and employee contact either the General Counsel's office or corporate secretary for approval before making any trade in Company securities. The Company has previously published its policies on securities trading and this Policy is meant as a supplement to such previously published policies.

Directors, officers and employees should not engage in short-term speculation in Company securities, nor should they engage in any transaction where they profit if the value of Company securities falls.

B. TRADING IN THE SECURITIES OF OTHER COMPANIES

Directors, officers and employees should not trade in securities of a company which has been targeted for acquisition or is being reviewed or a property which is being reviewed or targeted as an acquisition candidate or a company which is being considered for or has just been awarded an important contract or relationship with the Company without first checking with the General Counsel's office.

C. TRANSACTIONS BY OTHERS

No director, officer or employee shall in any way encourage any third party to engage in any transaction in which the director, officer or employee himself cannot engage.

D. TRANSACTIONS BY OFFICERS AND DIRECTORS

Officers and directors of the Company are subject to additional statutory restrictions covering transactions in Company securities. These restrictions (a) prohibit officers and directors from profiting on transactions within a six month period, (b) prohibit them from selling the stock short, and (c) may restrict the amount of securities some of them can sell within a three month period. Officers and directors of the Company should review proposed transactions in Company securities with the General Counsel's office.

VI. FAIR AND ACCURATE REPORTING AND RECORDKEEPING

It is the policy of the Company to provide full, fair, accurate, timely and understandable disclosure in the reports that the Company files with, or submits to, the Securities and Exchange Commission ("SEC") and in other public communications made by the Company. All funds, assets and disbursements of the Company shall be properly recorded in the appropriate records and books of account. To assure the Company's financial statements are maintained in accordance with generally accepted accounting principles or such other standards as may be appropriate and to assure that reports filed by the Company with the SEC are accurate and complete, the following policies are specifically adopted:

1. Full Disclosure of Accounts. No secret or unrecorded fund of monies or other assets of the Company shall be established or maintained, and all payments and disbursements shall be properly recorded on the books and records of the Company.

2. Accurate Entries to Accounts. The making of false or fictitious entries on the books and records of the Company and the issuance of false or misleading reports pertaining to the Company and its operations are prohibited, and no employee or officer shall engage in any transaction that requires or contemplates such prohibited activities on the part of the Company.

3. Accurate Expense Accounts. All employees who seek reimbursement from the Company for expenses shall keep and submit to the Company complete and accurate records of such expenditures and their business purpose.

Business records and communications often become public, and employees should avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people and companies. This applies equally to email, internal memos and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. In accordance with these policies, in the event of actual or possible litigation or governmental investigation, employees should consult with the General Counsel's office.

VII. DISCLOSURE OR USE OF COMPANY INFORMATION

A. GENERAL

Each employee shall safeguard and keep private all Company proprietary and confidential information, including without limitation, trade secrets, trademarks, trade names or other intellectual property, as well as all such information relating to the Company's customers and employees. The disclosure of such Company information shall be permitted only when required by law and the approval of the General Counsel's office shall be obtained prior to the release of such information. Absent such approval, it shall be considered a violation of trust for any director, officer or employee:

1. to use or release to a competitor, or any other third party any data on decisions, plans, or any other information concerning the Company which might be prejudicial to the interests of the Company;

2. to appropriate, for their own use or for the unauthorized use by a third party, any Company technology, software, trade secrets or written materials (whether or not copyrighted or patented), business information, including but not limited to contracts, sales or customer information, marketing or other plans, data relating to costs and suppliers, system design information, manuals, computer tapes, discs, data processing records, financial data, or any other confidential or proprietary matters of any nature whatsoever;

3. to copy, use, or release to a third party any employee data, personnel records, or any other private information concerning the Company's current or former employees; or

4. to use or release any undisclosed material information concerning the Company, its plans or its performance, or any unpublished facts bearing upon the Company's business, plans, or performance.

B. OUTSIDE INQUIRIES AND REQUESTS FOR INFORMATION

If any third party makes contact with any Company personnel requesting an interview or seeking information concerning any Company-related matter, or if any media representative requests an interview or seeks information or opinions concerning any Company-related matter, whether or not the matter is confidential or proprietary, the requestor should be instructed to address its inquiry directly to the General Counsel's office so that questions can be answered with appropriate care by authorized personnel having unrestricted access to the Company's information resources. Employees with certain responsibilities will periodically be requested to complete a questionnaire similar to the one presented below.

VIII. PROTECTION AND PROPER USE OF COMPANY ASSETS

All employees should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, although incidental personal use may be permitted.

The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or criminal penalties.

IX. WAIVERS OF THE BUSINESS ETHICS AND CONDUCT POLICY

Any waiver of this Policy that applies to officers or directors may be made only by the Board of Directors or a committee of the Board of Directors and will be disclosed as required by law or stock exchange regulation.

EQUITY LIFESTYLE PROPERTIES, INC.
Management Representation of
Compliance with Company Policies
July 2005

It is the responsibility of each Company officer, director, and employee to read and understand the ELS Business Ethics and Conduct Policy (the "Policy"), and to complete this questionnaire and promptly return it to the Company's General Counsel, Equity LifeStyle Properties, Inc., Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606. If you have supervisory duties, it is also your responsibility to ensure that employees reporting to you have read and understand the Policy and comply with the Policy. In addition, if the answer to any of Questions 2(a) through 3 is "YES", you must attach a brief explanatory statement disclosing the facts supporting your answer.

		YES	NO
1.	Have you read the ELS Business Ethics and Conduct Policy and do you understand its contents?	____	____
2.	Are you aware of any of the following practices relating to the Company's affairs:		
(a)	A situation or transaction described in the Conflicts of Interest, Corporate Opportunities and Violation of Trust guidelines set forth in the Policy regardless of whether or not that situation or transaction may have been disclosed or approved in accordance with the Policy?	____	____
(b)	A violation of federal, state or local law?	____	____
(c)	A fraud, embezzlement, unrecorded fund or account, or significant accounting error?	____	____
(d)	An activity in violation of the Antitrust and Trade Regulation guidelines set forth in the Policy?	____	____
(e)	A practice in violation of the Employment and Personnel Practices guidelines of the Policy?	____	____

(f) A transaction in violation of the Transactions in Securities guidelines set forth in the Policy? ____ ____

(g) A payment or gift to governmental officials? ____ ____

(h) An unauthorized disclosure of information which is confidential or proprietary to the Company? ____ ____

(i) A practice in violation of the Protection and Proper Use of Company Assets guidelines set forth in The Policy: ____ ____

3. Are you aware of any other transaction, practice, activity, event or circumstance which you believe should be brought to the Company's attention? ____ ____

==

The foregoing answers and any attached explanatory statements are true and correct to the best of my knowledge and belief.

Name: --------------------------------

Signature: ----------------------------

Date: --------------------------------

EQUITY LIFESTYLE PROPERTIES, INC.
Business Ethics and Conduct Policy
Acknowledgement

I have received, read, understand and will retain a copy of the Equity LifeStyle Properties, Inc. Business Ethics and Conduct Policy dated July, 2005, and comply with such Policy.

Name ___________________________________

Signature ______________________________

Position _______________________________

Date ___________________________________

Property _______________________________

This acknowledgment is to be completed by all employees of Equity LifeStyle Properties, Inc. and its affiliates and returned to the Company's General Counsel.

Employees with certain responsibilities will periodically be required to complete an additional questionnaire which will be furnished to them separately.

EXHIBIT 21

EQUITY LIFESTYLE PROPERTIES, INC.
SUBSIDIARIES OF THE REGISTRANT

	State of Incorporated or Organization
MHC Operating Limited Partnership	Illinois
MHC Financing Limited Partnership	Illinois
MHC Financing Limited Partnership Two	Delaware
MHC-DeAnza Financing Limited Partnership	Illinois
MHC Stagecoach, L.L.C.	Delaware
MHC TT Leasing Company, L.L.C.	Delaware
MHC TT, Inc.	Delaware
Realty Systems, Inc	Delaware
MHC LTRA, Inc.	Washington
MHC Encore Holdings, L.L.C.	Delaware
MHC NAC, Inc.	Nevada

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 333-68473, No. 333-28469, No. 333-25295, and No. 33-76486, and Form S-3 No. 333-66550, No. 333-90813, No. 333-65515, No. 333-25297, No. 333-1710, No. 33-82902 and No. 33-97288) of Equity Lifestyle Properties, Inc., and in the related Prospectuses, of our reports dated February 23, 2006 with respect to the consolidated financial statements and schedules of Equity Lifestyle Properties, Inc., Equity Lifestyle Properties, Inc.'s management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financing reporting of Equity Lifestyle Properties, Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2005.

ERNST & YOUNG, LLP

Chicago, Illinois
March 1, 2006

POWER OF ATTORNEY

EXHIBIT 24.1

STATE OF	Illinois	)	
		)	SS
COUNTY OF	Lake	)	

KNOW ALL MEN BY THESE PRESENTS that Philip C. Calian, having an address at Highland Park, Illinois, has made, constituted and appointed and BY THESE PRESENTS, does make, constitute and appoint Thomas P. Heneghan and Michael B. Berman, or either of them, having an address at Two North Riverside Plaza, Chicago, Illinois 60606, his true and lawful Attorney-in-Fact for him and in his name, place and stead to sign and execute in any and all capacities this Annual Report on Form 10-K and any or all amendments to this Annual Report on Form 10-K, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, giving and granting unto each of such, Attorney-in-Fact, full power and authority to do and perform each and every act and thing, requisite and necessary to be done in and about the premises, as fully, to all intents and purposes as he might or could do if personally present at the doing thereof, with full power of substitution and revocation, hereby ratifying and confirming all that each of such Attorney-in-Fact or his substitutes shall lawfully do or cause to be done by virtue hereof.

This power of Attorney shall remain in full force and effect until terminated by the undersigned through the instrumentality of a signed writing.

IN WITNESS WHEREOF, Philip C. Calian, has hereunto, set his hand this 17th day of February, 2006.

/s/ Philip C. Calian

Philip C. Calian

I, Gabrielle G. Zitnick, a Notary Public in and for said County in the State aforesaid, do hereby certify that Philip C. Calian, personally know to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 17th day of February, 2006.

/s/ Gabrielle G. Zitnick

(Notary Public)

My Commission Expires:

08/04/09
- ------------------------

POWER OF ATTORNEY

EXHIBIT 24.2

STATE OF Illinois)
) SS
COUNTY OF Cook)

KNOW ALL MEN BY THESE PRESENTS that Howard Walker, having an address at Chicago, Illinois, has made, constituted and appointed and BY THESE PRESENTS, does make, constitute and appoint Thomas P. Heneghan and Michael B. Berman, or either of them, having an address at Two North Riverside Plaza, Chicago, Illinois 60606, his true and lawful Attorney-in-Fact for him and in his name, place and stead to sign and execute in any and all capacities this Annual Report on Form 10-K and any or all amendments to this Annual Report on Form 10-K, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, giving and granting unto each of such, Attorney-in-Fact, full power and authority to do and perform each and every act and thing, requisite and necessary to be done in and about the premises, as fully, to all intents and purposes as he might or could do if personally present at the doing thereof, with full power of substitution and revocation, hereby ratifying and confirming all that each of such Attorney-in-Fact or his substitutes shall lawfully do or cause to be done by virtue hereof.

This power of Attorney shall remain in full force and effect until terminated by the undersigned through the instrumentality of a signed writing.

IN WITNESS WHEREOF, Howard Walker, has hereunto, set his hand this 23rd day of February, 2006.

/s/ Howard Walker
Howard Walker

I, Latanga Holloway, a Notary Public in and for said County in the State aforesaid, do hereby certify that Howard Walker, personally know to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal 23rd day of February, 2006.

/s/ Latanga Holloway
(Notary Public)

My Commission Expires:

01/04/10

POWER OF ATTORNEY

Exhibit 24.3

STATE OF Illinois)
) SS
COUNTY OF Cook)

KNOW ALL MEN BY THESE PRESENTS that Thomas E. Dobrowski, having an address at New York, New York, has made, constituted and appointed and BY THESE PRESENTS, does make, constitute and appoint Thomas P. Heneghan and Michael B. Berman, or either of them, having an address at Two North Riverside Plaza, Chicago, Illinois 60606, his true and lawful Attorney-in-Fact for him and in his name, place and stead to sign and execute in any and all capacities this Annual Report on Form 10-K and any or all amendments to this Annual Report on Form 10-K, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, giving and granting unto each of such, Attorney-in-Fact, full power and authority to do and perform each and every act and thing, requisite and necessary to be done in and about the premises, as fully, to all intents and purposes as he might or could do if personally present at the doing thereof, with full power of substitution and revocation, hereby ratifying and confirming all that each of such Attorney-in-Fact or his substitutes shall lawfully do or cause to be done by virtue hereof.

This power of Attorney shall remain in full force and effect until terminated by the undersigned through the instrumentality of a signed writing.

IN WITNESS WHEREOF, Thomas E. Dobrowski, has hereunto, set his hand this 23rd day of February, 2006.

/s/ Thomas E. Dobrowski

Thomas E. Dobrowski

I, Katy Heider, a Notary Public in and for said County in the State aforesaid, do hereby certify that Thomas E. Dobrowski, personally know to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 23rd day of February, 2006.

/s/ Katy Heider

(Notary Public)

My Commission Expires:

08/23/09

POWER OF ATTORNEY

EXHIBIT 24.4

STATE OF Washington)
) SS
COUNTY OF King)

KNOW ALL MEN BY THESE PRESENTS that Gary L. Waterman, having an address at Bainbridge, Washington, has made, constituted and appointed and BY THESE PRESENTS, does make, constitute and appoint Thomas P. Heneghan and Michael B. Berman, or either of them, having an address at Two North Riverside Plaza, Chicago, Illinois 60606, his true and lawful Attorney-in-Fact for him and in his name, place and stead to sign and execute in any and all capacities this Annual Report on Form 10-K and any or all amendments to this Annual Report on Form 10-K, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, giving and granting unto each of such, Attorney-in-Fact, full power and authority to do and perform each and every act and thing, requisite and necessary to be done in and about the premises, as fully, to all intents and purposes as he might or could do if personally present at the doing thereof, with full power of substitution and revocation, hereby ratifying and confirming all that each of such Attorney-in-Fact or his substitutes shall lawfully do or cause to be done by virtue hereof.

This power of Attorney shall remain in full force and effect until terminated by the undersigned through the instrumentality of a signed writing.

IN WITNESS WHEREOF, Gary L. Waterman, has hereunto, set his hand this this 20th day of February, 2006.

/s/ Gary L. Waterman
Gary L. Waterman

I, Judy S. Cooley, a Notary Public in and for said County in the State aforesaid, do hereby certify that Gary L. Waterman, personally know to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 20th day of February, 2006.

/s/ Judy S. Cooley
(Notary Public)

My Commission Expires:

08/29/06

POWER OF ATTORNEY

EXHIBIT 24.5

STATE OF Florida)
) SS
COUNTY OF Palm Beach)

KNOW ALL MEN BY THESE PRESENTS that Donald S. Chisholm, having an address at Ann Arbor, Michigan, has made, constituted and appointed and BY THESE PRESENTS, does make, constitute and appoint Thomas P. Heneghan and Michael B. Berman, or either of them, having an address at Two North Riverside Plaza, Chicago, Illinois 60606, his true and lawful Attorney-in-Fact for him and in his name, place and stead to sign and execute in any and all capacities this Annual Report on Form 10-K and any or all amendments to this Annual Report on Form 10-K, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, giving and granting unto each of such, Attorney-in-Fact, full power and authority to do and perform each and every act and thing, requisite and necessary to be done in and about the premises, as fully, to all intents and purposes as he might or could do if personally present at the doing thereof, with full power of substitution and revocation, hereby ratifying and confirming all that each of such Attorney-in-Fact or his substitutes shall lawfully do or cause to be done by virtue hereof.

This power of Attorney shall remain in full force and effect until terminated by the undersigned through the instrumentality of a signed writing.

IN WITNESS WHEREOF, Donald S. Chisholm, has hereunto, set his hand this 17th day of February, 2006.

/s/ Donald S. Chisholm

Donald S. Chisholm

I, Audrey Hoffman, a Notary Public in and for said County in the State aforesaid, do hereby certify that Donald S. Chisholm, personally know to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 17th day of February, 2006.

/s/ Audrey J. Hoffman

(Notary Public)

My Commission Expires:

09/14/06
- ----------------------

POWER OF ATTORNEY

EXHIBIT 24.6

STATE OF Illinois)
) SS
COUNTY OF Cook)

KNOW ALL MEN BY THESE PRESENTS that Sheli Z. Rosenberg, having an address at Chicago, Illinois has made, constituted and appointed and BY THESE PRESENTS, does make, constitute and appoint Thomas P. Heneghan and Michael B. Berman, or either of them, having an address at Two North Riverside Plaza, Chicago, Illinois 60606, her true and lawful Attorney-in-Fact for her and in her name, place and stead to sign and execute in any and all capacities this Annual Report on Form 10-K and any or all amendments to this Annual Report on Form 10-K, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, giving and granting unto each of such, Attorney-in-Fact, full power and authority to do and perform each and every act and thing, requisite and necessary to be done in and about the premises, as fully, to all intents and purposes as she might or could do if personally present at the doing thereof, with full power of substitution and revocation, hereby ratifying and confirming all that each of such Attorney-in-Fact or his substitutes shall lawfully do or cause to be done by virtue hereof.

This power of Attorney shall remain in full force and effect until terminated by the undersigned through the instrumentality of a signed writing.

IN WITNESS WHEREOF, Sheli Z. Rosenberg, has hereunto, set her hand this 23rd day of February, 2006.

/s/ Sheli Z. Rosenberg

Sheli Z. Rosenberg

I, Katy Heider, a Notary Public in and for said County in the State aforesaid, do hereby certify that Sheli Z. Rosenberg, personally know to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that she signed and delivered said instrument as her own free voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 23rd day of February, 2006.

/s/ Katy Heider

(Notary Public)

My Commission Expires:

08/23/09

EXHIBIT 31.1

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

I, Michael B. Berman, certify that:

1. I have reviewed this annual report on Form 10-K 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(s) 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 reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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: March 2, 2006

By: /s/ Michael B. Berman

Michael B. Berman
Executive Vice President and
Chief Financial Officer

EXHIBIT 31.2

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

I, Thomas P. Heneghan, certify that:

1. I have reviewed this annual report on Form 10-K 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(s) 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 reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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: March 2, 2006

By: /s/ Thomas P. Heneghan

Thomas P. Heneghan
President and Chief Executive Officer

EXHIBIT 32.1

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

In connection with the accompanying Annual Report on Form 10-K of Equity LifeStyle Properties, Inc. for the year ended December 31, 2005 (the "Annual Report"), I, Michael B. Berman, 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 Annual Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Equity LifeStyle Properties, Inc.

Date: March 2, 2006

By: /s/ Michael B. Berman

Michael B. Berman
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.

EXHIBIT 32.2

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

In connection with the accompanying Annual Report on Form 10-K of Equity LifeStyle Properties, Inc. for the year ended December 31, 2005 (the "Annual Report"), I, Thomas P. Heneghan, President and Chief Executive 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 Annual Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Equity LifeStyle Properties, Inc.

Date: March 2, 2006

By: /s/ Thomas P. Heneghan

Thomas P. Heneghan
President and Chief Executive 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.