UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2022

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

For the transition period from to

Commission file number: 1-11718

EQUITY LIFESTYLE PROPERTIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland		**36-3857664**
(State or other jurisdiction of incorporation)		**(IRS Employer Identification Number)**
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:

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

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: 186,011,525 shares of Common Stock as of April 21, 2022.

Equity LifeStyle Properties, Inc.

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Part I – Financial Information

Item 1. Financial Statements

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

	March 31, 2022 (unaudited)	December 31, 2021
Assets		
Investment in real estate:		
Land	$ 2,025,609	$ 2,019,787
Land improvements	3,962,367	3,912,062
Buildings and other depreciable property	1,083,942	1,057,215
	7,071,918	6,989,064
Accumulated depreciation	(2,150,238)	(2,103,774)
Net investment in real estate	4,921,680	4,885,290
Cash and restricted cash	38,120	123,398
Notes receivable, net	40,542	39,955
Investment in unconsolidated joint ventures	79,688	70,312
Deferred commission expense	47,859	47,349
Other assets, net	136,916	141,567
Total Assets	**$ 5,264,805**	**$ 5,307,871**
Liabilities and Equity		
Liabilities:		
Mortgage notes payable, net	$ 2,598,830	$ 2,627,783
Term loan, net	496,148	297,436
Unsecured line of credit	69,000	349,000
Accounts payable and other liabilities	166,435	172,285
Deferred membership revenue	182,181	176,439
Accrued interest payable	9,175	9,293
Rents and other customer payments received in advance and security deposits	132,412	118,696
Distributions payable	80,287	70,768
Total Liabilities	**3,734,468**	**3,821,700**
Equity:		
Stockholders' Equity:		
Preferred stock, $0.01 par value, 10,000,000 shares authorized as of March 31, 2022 and December 31, 2021; none issued and outstanding.	—	—
Common stock, $0.01 par value, 600,000,000 shares authorized as of March 31, 2022 and December 31, 2021; 186,006,354 and 185,640,379 shares issued and outstanding as of March 31, 2022, and December 31, 2021, respectively.	1,916	1,913
Paid-in capital	1,619,164	1,593,362
Distributions in excess of accumulated earnings	(177,158)	(183,689)
Accumulated other comprehensive income	13,448	3,524
Total Stockholders' Equity	1,457,370	1,415,110
Non-controlling interests – Common OP Units	72,967	71,061
Total Equity	**1,530,337**	**1,486,171**
Total Liabilities and Equity	**$ 5,264,805**	**$ 5,307,871**

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

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

	Quarters Ended March 31,	
	2022	**2021**
Revenues:		
Rental income	$ 285,065	$ 249,022
Annual membership subscriptions	15,157	13,654
Membership upgrade sales current period, gross	7,151	10,014
Membership upgrade sales upfront payments, deferred, net	(4,084)	(7,427)
Other income	13,542	10,521
Gross revenues from home sales, brokered resales and ancillary services	39,695	25,160
Interest income	1,759	1,767
Income from other investments, net	1,904	936
Total revenues	360,189	303,647
Expenses:		
Property operating and maintenance	103,992	88,873
Real estate taxes	19,457	17,850
Sales and marketing, gross	4,914	6,176
Membership sales commissions, deferred, net	(583)	(1,499)
Property management	17,871	15,380
Depreciation and amortization	49,394	45,398
Cost of home sales, brokered resales and ancillary services	30,684	18,836
Home selling expenses and ancillary operating expenses	6,481	4,941
General and administrative	12,297	10,512
Other expenses	823	698
Early debt retirement	516	2,029
Interest and related amortization	27,464	26,275
Total expenses	273,310	235,469
Loss on sale of real estate, net	—	(59)
Income before equity in income of unconsolidated joint ventures	86,879	68,119
Equity in income of unconsolidated joint ventures	171	868
Consolidated net income	87,050	68,987
Income allocated to non-controlling interests – Common OP Units	(4,144)	(3,747)
Net income available for Common Stockholders	**$ 82,906**	**$ 65,240**
Consolidated net income	$ 87,050	$ 68,987
Other comprehensive income (loss):		
Adjustment for fair market value of swap	9,924	129
Consolidated comprehensive income	96,974	69,116
Comprehensive income allocated to non-controlling interests – Common OP Units	(4,616)	(3,754)
Comprehensive income attributable to Common Stockholders	**$ 92,358**	**$ 65,362**
Earnings per Common Share – Basic	$ 0.45	$ 0.36
Earnings per Common Share – Fully Diluted	$ 0.45	$ 0.36
Weighted average Common Shares outstanding – Basic	185,690	181,945
Weighted average Common Shares outstanding – Fully Diluted	195,246	192,685

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

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

	Common Stock	Paid-in Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests – Common OP Units	Total Equity
Balance as of December 31, 2021	**$ 1,913**	**$ 1,593,362**	**$ (183,689)**	**$ 3,524**	**$ 71,061**	**$ 1,486,171**
Exchange of Common OP Units for Common Stock	—	67	—	—	(67)	—
Issuance of Common Stock through employee stock purchase plan	—	513	—	—	—	513
Issuance of Common Stock	3	28,367	—	—	—	28,370
Compensation expenses related to restricted stock and stock options	—	2,590	—	—	—	2,590
Repurchase of Common Stock or Common OP Units	—	(3,449)	—	—	—	(3,449)
Adjustment for Common OP Unitholders in the Operating Partnership	—	(1,641)	—	—	1,641	—
Adjustment for fair market value of swap	—	—	—	9,924	—	9,924
Consolidated net income	—	—	82,906	—	4,144	87,050
Distributions	—	—	(76,375)	—	(3,812)	(80,187)
Other	—	(645)	—	—	—	(645)
Balance as of March 31, 2022	**$ 1,916**	**$ 1,619,164**	**$ (177,158)**	**$ 13,448**	**$ 72,967**	**$ 1,530,337**

	Common Stock	Paid-in Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling interests – Common OP Units	Total Equity
Balance as of December 31, 2020	**$ 1,813**	**$ 1,411,397**	**$ (179,523)**	**$ —**	**$ 71,068**	**$ 1,304,755**
Exchange of Common OP Units for Common Stock	—	58	—	—	(58)	—
Issuance of Common Stock through employee stock purchase plan	—	732	—	—	—	732
Compensation expenses related to restricted stock and stock options	—	2,556	—	—	—	2,556
Repurchase of Common Stock or Common OP Units	—	(2,814)	—	—	—	(2,814)
Adjustment for fair market value of swap	—	—	—	129	—	129
Consolidated net income	—	—	65,240	—	3,747	68,987
Distributions	—	—	(66,087)	—	(3,796)	(69,883)
Other	—	(116)	—	—	—	(116)
Balance as of March 31, 2021	**$ 1,813**	**$ 1,411,813**	**$ (180,370)**	**$ 129**	**$ 70,961**	**$ 1,304,346**

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

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

	Quarters Ended March 31,	
	2022	**2021**
Cash Flows From Operating Activities:		
Consolidated net income	$ 87,050	$ 68,987
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Loss on sale of real estate, net	—	59
Early debt retirement	516	2,029
Depreciation and amortization	50,237	46,119
Amortization of loan costs	1,213	1,111
Debt premium amortization	(60)	(83)
Equity in income of unconsolidated joint ventures	(171)	(868)
Proceeds from insurance claims, net	59	2,343
Compensation expense related to incentive plans	(1,529)	2,939
Revenue recognized from membership upgrade sales upfront payments	(3,067)	(2,587)
Commission expense recognized related to membership sales	1,040	955
Changes in assets and liabilities:		
Notes receivable, net	189	(1,366)
Deferred commission expense	(1,550)	(2,363)
Other assets, net	23,168	17,884
Accounts payable and other liabilities	(1,923)	11,781
Deferred membership revenue	8,494	12,687
Rents and other customer payments received in advance and security deposits	13,665	13,704
Net cash provided by operating activities	177,331	173,331
Cash Flows From Investing Activities:		
Real estate acquisitions, net	(15,402)	(295,599)
Proceeds from disposition of properties, net	—	(7)
Investment in unconsolidated joint ventures	(7,912)	—
Distributions of capital from unconsolidated joint ventures	374	731
Proceeds from insurance claims	1,405	—
Capital improvements	(83,647)	(56,778)
Net cash used in investing activities	(105,182)	(351,653)

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

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

	Quarters Ended March 31,	
	2022	**2021**
Cash Flows From Financing Activities:		
Proceeds from stock options and employee stock purchase plan	513	732
Gross proceeds from the issuance of common stock	28,370	—
Distributions:		
Common Stockholders	(67,295)	(62,414)
Common OP Unitholders	(3,373)	(3,589)
Share based award tax withholding payments	(3,449)	(2,814)
Principal payments and mortgage debt repayment	(29,592)	(80,351)
Mortgage notes payable financing proceeds	—	270,000
Term loan proceeds	200,000	300,000
Line of Credit repayment	(319,000)	(283,000)
Line of Credit proceeds	39,000	111,000
Debt issuance and defeasance costs	(1,957)	(3,658)
Other	(644)	(116)
Net cash (used in) provided by financing activities	(157,427)	245,790
Net (decrease) increase in cash and restricted cash	(85,278)	67,468
Cash and restricted cash, beginning of year	123,398	24,060
Cash and restricted cash, end of period	**$ 38,120**	**$ 91,528**

	Quarters Ended March 31,	
	2022	**2021**
Supplemental Information:		
Cash paid for interest	$ 26,839	$ 24,864
Net investment in real estate – reclassification of rental homes	$ 21,311	$ 12,751
Other assets, net – reclassification of rental homes	$ (21,311)	$ (12,751)
Real estate acquisitions:		
Investment in real estate	$ (15,075)	$ (303,292)
Notes receivable, net	(772)	—
Other assets, net	—	(2,781)
Deferred revenue - sale of right-to-use contracts	315	—
Accrued expenses and accounts payable	—	1,251
Other liabilities	79	—
Rents and other customer payments received in advance and security deposits	51	9,223
Real estate acquisitions, net	$ (15,402)	$ (295,599)
Real estate dispositions:		
Investment in real estate	$ —	$ 52
Loss on sale of real estate, net	—	(59)
Real estate dispositions, net	$ —	$ (7)

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

Note 1 – Organization and Basis of Presentation

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

Our Properties are owned primarily by the Operating Partnership and managed internally by affiliates of the Operating Partnership. ELS is the sole general partner of the Operating Partnership, has exclusive responsibility and discretion in management and control of the Operating Partnership and held a 95.2% interest as of March 31, 2022. As the general partner with control, ELS is the primary beneficiary of, and therefore consolidates, the Operating Partnership.

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

The accompanying unaudited interim consolidated financial statements have been prepared pursuant to Securities and Exchange Commission (“SEC”) rules and regulations for Quarterly Reports on Form 10-Q. Accordingly, they do not include all of the information and note disclosures required by U.S. Generally Accepted Accounting Principles (“GAAP”) for complete financial statements and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021.

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

Note 2 – Summary of Significant Accounting Policies

(a) Revenue Recognition

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

Note 2 – Summary of Significant Accounting Policies (continued)

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

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. We have a limited program under which we purchase loans made by an unaffiliated lender to homebuyers at our Properties. Financed home sales (also known as chattel loans) are presented within Notes receivable, net on the Consolidated Balance Sheets and are net of an allowance for credit losses.

(b) Restricted Cash

As of March 31, 2022 and December 31, 2021, restricted cash consists of $29.3 million for each period, primarily related to cash reserved for customer deposits and escrows for insurance and real estate taxes.

Note 3 – Leases

Lessor

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

(amounts in thousands)	**As of March 31, 2022**
2022	$ 119,123
2023	161,093
2024	98,692
2025	40,813
2026	21,539
Thereafter	66,894
Total	$ 508,154

Lessee

We lease land under non-cancelable operating leases at 14 Properties expiring at various dates between 2022 and 2054. The majority of the leases have terms requiring fixed payments plus additional rents based on a percentage of gross revenues at those Properties. We also have other operating leases, primarily office space, expiring at various dates through 2032. For the quarters ended March 31, 2022 and 2021, total operating lease payments were $2.6 million and $2.5 million, respectively.

Note 3 – Leases (continued)

The following table summarizes our minimum future rental payments, excluding variable costs, which are discounted by our incremental borrowing rate to calculate the lease liability for our operating leases as of March 31, 2022:

	As of March 31, 2022		
(amounts in thousands)	Ground Leases	Office and Other Leases	Total
2022	$ 1,603	$ 2,972	$ 4,575
2023	626	3,523	4,149
2024	632	3,097	3,729
2025	637	2,763	3,400
2026	615	2,543	3,158
Thereafter	4,325	13,140	17,465
Total undiscounted rental payments	8,438	28,038	36,476
Less imputed interest	(2,281)	(4,506)	(6,787)
Total lease liabilities	$ 6,157	$ 23,532	$ 29,689

Right-of-use ("ROU") assets and lease liabilities from our operating leases, included within Other assets, net and Accounts payable and other liabilities on the Consolidated Balance Sheets, were $27.8 million and $29.7 million, respectively, as of March 31, 2022. The weighted average remaining lease term for our operating leases was ten years and the weighted average incremental borrowing rate was 3.8% at March 31, 2022.

ROU assets and lease liabilities from our operating leases, included within Other assets, net and Accounts payable and other liabilities on the Consolidated Balance Sheets, were $30.3 million and $30.7 million, respectively, as of December 31, 2021. The weighted average remaining lease term for our operating leases was seven years and the weighted average incremental borrowing rate was 3.8% at December 31, 2021.

Note 4 – Earnings Per Common Share

The following table sets forth the computation of basic and diluted earnings per share of common stock for the quarters ended March 31, 2022 and 2021:

	Quarters Ended March 31,	
(amounts in thousands, except per share data)	2022	2021
Numerators:		
Net income available for Common Stockholders – Basic	$ 82,906	$ 65,240
Amounts allocated to non controlling interest (dilutive securities)	4,144	3,747
Net income available for Common Stockholders – Fully Diluted	$ 87,050	$ 68,987
Denominators:		
Weighted average Common Shares outstanding – Basic	185,690	181,945
Effect of dilutive securities:		
Exchange of Common OP Units for Common Shares	9,301	10,473
Stock options and restricted stock	255	267
Weighted average Common Shares outstanding – Fully Diluted	195,246	192,685
Earnings per Common Share – Basic	$ 0.45	$ 0.36
Earnings per Common Share – Fully Diluted	$ 0.45	$ 0.36

Note 5 – Common Stock and Other Equity Related Transactions

Common Stockholder Distribution Activity

The following quarterly distributions have been declared and paid to Common Stockholders and the Operating Partnership unit ("OP Unit") holders since January 1, 2021.

Note 5 – Common Stock and Other Equity Related Transactions (continued)

Distribution Amount Per Share	For the Quarter Ended	Stockholder Record Date	Payment Date
$0.3625	March 31, 2021	March 26, 2021	April 9, 2021
$0.3625	June 30, 2021	June 25, 2021	July 9, 2021
$0.3625	September 30, 2021	September 24, 2021	October 8, 2021
$0.3625	December 31, 2021	December 31, 2021	January 14, 2022
$0.4100	March 31, 2022	March 25, 2022	April 8, 2022

Equity Offering Program

On February 24, 2022, we entered into our current at-the-market ("ATM") equity offering program with certain sales agents, pursuant to which we may sell, from time-to-time, shares of our common stock, par value $0.01 per share, having an aggregate offering price of up to $500.0 million. Prior to the new program, the aggregate offering price was up to $200.0 million. As of March 31, 2022, the full capacity of our current ATM equity offering program remained available for issuance.

The following table presents the shares that were issued under our prior ATM equity offering program during the quarter ended March 31, 2022. There was no ATM equity activity during the quarter ended March 31, 2021.

	Quarter Ended March 31
(amounts in thousands, except share data)	2022
Shares of common stock sold	32
Weighted average price	$
Total gross proceeds	$ 2
Commissions paid to sales agents	$

Exchanges

Subject to certain limitations, OP Unit holders can request an exchange of any or all of their OP Units for shares of Common Stock at any time. Upon receipt of such a request, we may, in lieu of issuing shares of Common Stock, cause the Operating Partnership to pay cash. During the quarters ended March 31, 2022 and 2021, 8,640 and 8,560 OP Units, respectively, were exchanged for an equal number of shares of Common Stock.

Note 6 – Investment in Real Estate

Acquisitions

2022

On February 18, 2022, we completed the acquisition of Blue Mesa Recreational Ranch, a 385-site membership RV community located in Gunnison, Colorado, and Pilot Knob RV Resort a 247-site RV community located in Winterhaven, California for a combined purchase price of $15.9 million. The acquisition was funded with available cash.

Note 7 – Investments in Unconsolidated Joint Ventures

The following table summarizes our investment in unconsolidated joint ventures (investment amounts in thousands with the number of Properties shown parenthetically as of March 31, 2022 and December 31, 2021, respectively):

Investment	Location	Number of Sites	Economic Interest [(a)]	Investment as of March 31, 2022	Investment as of December 31, 2021	Income/(Loss) for the quarters ended March 31, 2022	Income/(Loss) for the quarters ended March 31, 2021
Meadows	Various (2,2)	1,077	50 %	$ 60	$ —	$ 260	$ 550
Lakeshore	Florida (3,3)	721	[(b)]	2,599	2,638	135	152
Voyager	Arizona (1,1)	—	33 % [(c)]	160	141	20	30
ECHO JV	Various	—	50 %	18,313	18,136	177	136
RVC	Various	1,019	80 %	53,085	49,397	(421)	—
Mulberry Farms	Various	—	50 % [(d)]	5,471	—	—	—
		2,817		$ 79,688	$ 70,312	$ 171	$ 868

(a) The percentages shown approximate our economic interest as of March 31, 2022. Our legal ownership interest may differ.
(b) Includes two joint ventures in which we own a 65% interest in each and the Crosswinds joint venture in which we own a 49% interest.
(c) Consists of a 33% interest in the utility plant servicing Voyager RV Resort. On October 14, 2021, we completed the acquisition of the remaining 50% interest in Voyager RV Resort.
(d) On January 18, 2022, we acquired a 50% equity interest in an entity developing an age-restricted community in Prescott Valley, Arizona.

We received approximately $0.4 million and $0.7 million in distributions from our unconsolidated joint ventures for the quarters ended March 31, 2022 and 2021, respectively. Approximately $0.3 million and $0.7 million of the distributions made to us exceeded our basis in our unconsolidated joint ventures for the quarters ended March 31, 2022 and 2021, respectively, and as such, were recorded as income from unconsolidated joint ventures.

Note 8 – Borrowing Arrangements

Mortgage Notes Payable

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

(amounts in thousands)	As of March 31, 2022 Fair Value	As of March 31, 2022 Carrying Value	As of December 31, 2021 Fair Value	As of December 31, 2021 Carrying Value
Mortgage notes payable, excluding deferred financing costs	$ 3,065,711	$ 2,624,409	$ 2,743,527	$ 2,654,086

The weighted average interest rate on our outstanding mortgage indebtedness, including the impact of premium/discount amortization and loan cost amortization on mortgage indebtedness, as of March 31, 2022, was approximately 3.8% per annum. The debt bears interest at stated rates ranging from 2.4% to 8.9% per annum and matures on various dates ranging from 2022 to 2041. The debt encumbered a total of 114 and 117 of our Properties as of March 31, 2022 and December 31, 2021, respectively, and the gross carrying value of such Properties was approximately $2,811.0 million and $2,817.5 million, as of March 31, 2022 and December 31, 2021, respectively.

During the quarter ended March 31, 2022, we repaid $14.2 million of principal on two mortgage loans that were due to mature in 2022, incurring $0.5 million of prepayment penalties. These mortgage loans had a weighted average interest rate of 5.25% per annum and were secured by three RV communities.

In April 2022, we closed on a secured refinancing transaction generating gross proceeds of $200.0 million. The loan is secured by one MH community, has a fixed interest rate of 3.36% per annum and has a maturity date of May 1, 2034. See *Note 13. Subsequent Events* for further details.

Note 8 – Borrowing Arrangements (continued)

Unsecured Debt

During the quarter ended March 31, 2022 we entered into a $200.0 million senior unsecured term loan agreement. The maturity date is January 21, 2027, with an interest rate of Secured Overnight Financing Rate ("SOFR") plus approximately 1.30% to 1.80%, depending on leverage levels.

The Line of Credit ("LOC") had a balance of $69.0 million and $349.0 million outstanding as of March 31, 2022 and December 31, 2021, respectively. As of March 31, 2022, our LOC had a remaining borrowing capacity of $431.0 million. In conjunction with the closing of the secured refinancing transaction, we repaid the remaining balance on the LOC. As of April 26, 2022, there is no outstanding balance on the LOC.

As of March 31, 2022, we were in compliance in all material respects with the covenants in all our borrowing arrangements.

Note 9 – Derivative Instruments and Hedging

Cash Flow Hedges of Interest Rate Risk

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

We have a three-year LIBOR Swap Agreement (the "Swap") allowing us to trade the variable interest rate associated with our variable rate debt for a fixed interest rate. The Swap has a notional amount of $300.0 million of outstanding principal with a fixed interest rate of 0.39% per annum and matures on March 25, 2024. Based on the leverage as of March 31, 2022, our spread over LIBOR was 1.40% resulting in an estimated all-in interest rate of 1.79% per annum.

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

		As of March 31,	As of December 31,
(amounts in thousands)	**Balance Sheet Location**	**2022**	**2021**
Interest Rate Swap	Other assets, net	$ 13,448	$ 3,524

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

Derivatives in Cash Flow Hedging Relationship	**Amount of (gain)/loss recognized in OCI on derivative for the quarters ended March 31,**		**Location of (gain)/ loss reclassified from accumulated OCI into income**	**Amount of (gain)/loss reclassified from accumulated OCI into income for the quarters ended March 31,**	
(amounts in thousands)	**2022**	**2021**	*(amounts in thousands)*	**2022**	**2021**
Interest Rate Swap	$ (9,661)	$ (112)	Interest Expense	$ 263	$ 17

During the next twelve months, we estimate that $4.2 million will be reclassified as a decrease to interest expense. This estimate may be subject to change as the underlying LIBOR changes. We determined that no adjustment was necessary for non-performance risk on our derivative obligation. As of March 31, 2022, we had not posted any collateral related to the Swap.

Note 10 – Equity Incentive Awards

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

During the quarter ended March 31, 2022, 79,078 shares of restricted stock were awarded to certain members of our management team. Of these shares, 50% are time-based awards, vesting in equal installments over a three-year period on January 27, 2023, January 26, 2024 and January 31, 2025, respectively, and have a grant date fair value of $3.0 million. The remaining 50% are performance-based awards vesting in equal installments on January 27, 2023, January 26, 2024 and January 31, 2025, respectively, upon meeting performance conditions as established by the Compensation Committee in the year of the vesting period. They are valued using the closing price at the grant date when all the key terms and conditions are known to all parties. The 13,178 shares of restricted stock subject to 2022 performance goals have a grant date fair value of $1.0 million.

Stock based compensation expense, reported in General and administrative expense on the Consolidated Statements of Income and Comprehensive Income, was $2.6 million for each of the quarters ended March 31, 2022 and 2021.

Note 11 – Commitments and Contingencies

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

The Operating Partnership operates and manages Westwinds, a 720 site mobilehome community, and Nicholson Plaza, an adjacent shopping center, both located in San Jose, California pursuant to ground leases that expire on August 31, 2022 and do not contain extension options. The master lessor of these ground leases, The Nicholson Family Partnership (the "Nicholsons"), has expressed a desire to redevelop Westwinds, and in a written communication, they claimed that we were obligated to deliver the property free and clear of any and all subtenancies upon the expiration of the ground leases on August 31, 2022. In connection with any redevelopment, the City of San Jose's conversion ordinance requires, among other things, that the landowner provide relocation, rental and purchase assistance to the impacted residents.

We believe the Nicholsons' demand is unlawful, and on December 30, 2019, the Operating Partnership, together with certain interested parties, filed a complaint in California Superior Court for Santa Clara County, seeking declaratory relief pursuant to which it requested that the Court determine, among other things, that the Operating Partnership has no obligation to deliver the property free and clear of the mobilehome residents upon the expiration of the ground leases. The Operating Partnership and the interested parties filed an amended complaint on January 29, 2020. The Nicholsons filed a demand for arbitration on January 28, 2020, which they subsequently amended, pursuant to which they request (i) a declaration that the Operating Partnership, as the "owner and manager" of Westwinds, is "required by the Ground Leases, and State and local law to deliver the Property free of any encumbrances or third-party claims at the expiration of the lease terms," (ii) that the Operating Partnership anticipatorily breached the ground leases by publicly repudiating any such obligation and (iii) that the Operating Partnership is required to indemnify the Nicholsons with respect to the claims brought by the interested parties in the Superior Court proceeding.

On February 3, 2020, the Nicholsons filed a motion in California Superior Court to compel arbitration and to stay the Superior Court litigation, which motion was heard on June 25, 2020. On July 29, 2020, the Superior Court issued a final order denying the Nicholsons' motion to compel arbitration. The Nicholsons filed a notice of appeal on August 7, 2020. On February 4, 2022, the California Court of Appeal affirmed the Superior Court's order denying the Nicholsons' motion to compel arbitration. On February 22, 2022, the Nicholsons filed a petition for rehearing, which the Court of Appeal denied on March 2, 2022. On March 16, 2022, the Nicholsons filed a petition for review with the California Supreme Court.

The arbitration is stayed pursuant to an agreement between MHC and the Nicholsons. We intend to continue to vigorously defend our interests in this matter. As of March 31, 2022, we have not made an accrual, as we are unable to predict the outcome of this matter or reasonably estimate any possible loss.

Note 12 – Reportable Segments

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

All revenues were from external customers and there is no customer who contributed 10% or more of our total revenues during the quarters ended March 31, 2022 or 2021.

The following tables summarize our segment financial information for the quarters ended March 31, 2022 and 2021:

Quarter Ended March 31, 2022

(amounts in thousands)	Property Operations	Home Sales and Rentals Operations	Consolidated
Operations revenues	$ 325,426	$ 31,100	$ 356,526
Operations expenses	(154,988)	(27,828)	(182,816)
Income from segment operations	170,438	3,272	173,710
Interest income	1,377	380	1,757
Depreciation and amortization	(46,877)	(2,517)	(49,394)
Income (loss) from operations	$ 124,938	$ 1,135	$ 126,073
Reconciliation to consolidated net income:			
Corporate interest income			2
Income from other investments, net			1,904
General and administrative			(12,297)
Other expenses			(823)
Interest and related amortization			(27,464)
Equity in income of unconsolidated joint ventures			171
Early debt retirement			(516)
Consolidated net income			$ 87,050
Total assets	$ 5,012,335	$ 252,470	$ 5,264,805
Capital improvements	$ 54,990	$ 28,657	$ 83,647

Quarter Ended March 31, 2021

(amounts in thousands)	Property Operations	Home Sales and Rentals Operations	Consolidated
Operations revenues	$ 280,998	$ 19,946	$ 300,944
Operations expenses	(132,980)	(17,577)	(150,557)
Income from segment operations	148,018	2,369	150,387
Interest income	1,148	615	1,763
Depreciation and amortization	(42,778)	(2,620)	(45,398)
Gain on sale of real estate, net	(59)	—	(59)
Income (loss) from operations	$ 106,329	$ 364	$ 106,693
Reconciliation to consolidated net income:			
Corporate interest income			4
Income from other investments, net			936
General and administrative			(10,512)
Other expenses			(698)
Interest and related amortization			(26,275)
Equity in income of unconsolidated joint ventures			868
Early debt retirement			(2,029)
Consolidated net income			$ 68,987
Total assets	$ 4,524,713	$ 261,002	$ 4,785,715
Capital improvements	$ 36,468	$ 20,310	$ 56,778

Note 12 – Reportable Segments (continued)

The following table summarizes our financial information for the Property Operations segment for the quarters ended March 31, 2022 and 2021:

	Quarters Ended March 31,	
(amounts in thousands)	2022	2021
Revenues:		
Rental income	$ 281,104	$ 244,729
Annual membership subscriptions	15,157	13,654
Membership upgrade sales current period, gross	7,151	10,014
Membership upgrade sales upfront payments, deferred, net	(4,084)	(7,427)
Other income	13,542	10,521
Gross revenues from ancillary services	12,556	9,507
Total property operations revenues	325,426	280,998
Expenses:		
Property operating and maintenance	102,590	87,630
Real estate taxes	19,457	17,850
Sales and marketing, gross	4,914	6,176
Membership sales commissions, deferred, net	(583)	(1,499)
Cost of ancillary services	5,721	3,808
Ancillary operating expenses	5,018	3,635
Property management	17,871	15,380
Total property operations expenses	154,988	132,980
Income from property operations segment	$ 170,438	$ 148,018

The following table summarizes our financial information for the Home Sales and Rentals Operations segment for the quarters ended March 31, 2022 and 2021:

	Quarters Ended March 31,	
(amounts in thousands)	2022	2021
Revenues:		
Rental income [(a)]	$ 3,961	$ 4,293
Gross revenue from home sales and brokered resales	27,139	15,653
Total revenues	31,100	19,946
Expenses:		
Rental home operating and maintenance	1,402	1,243
Cost of home sales and brokered resales	24,963	15,028
Home selling expenses	1,463	1,306
Total expenses	27,828	17,577
Income from home sales and rentals operations segment	$ 3,272	$ 2,369

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

Note 13 – Subsequent Events

On April 18, 2022, we closed on a secured refinancing transaction generating gross proceeds of $200.0 million. The loan is secured by one MH community, has a fixed interest rate of 3.36% per annum and has a maturity date of May 1, 2034. The net proceeds from the transaction were used to repay all debt scheduled to mature in 2022 and to repay amounts outstanding on the LOC.

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

The following discussion and analysis should be read in conjunction with the consolidated financial statements and accompanying notes thereto included in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2021 (“2021 Form 10-K”), as well as information in Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations in our 2021 Form 10-K.

Overview and Outlook

We are a self-administered and self-managed real estate investment trust (“REIT”) with headquarters in Chicago, Illinois. We are a fully integrated owner of lifestyle-oriented properties (“Properties”) consisting of property operations and home sales and rental operations primarily within manufactured home (“MH”) and recreational vehicle (“RV”) communities and marinas. As of March 31, 2022, we owned or had an ownership interest in a portfolio of 446 Properties located throughout the United States and Canada containing 169,984 individual developed areas (“Sites”). These Properties are located in 35 states and British Columbia, with more than 110 Properties with lake, river or ocean frontage and more than 120 Properties within 10 miles of the coastal United States.

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

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

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

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

	Total Sites as of March 31, 2022
MH Sites	73,400
RV Sites:	
Annual	34,000
Seasonal	12,700
Transient	14,700
Marina Slips	6,900
Membership [(1)]	25,500
Joint Ventures [(2)]	2,800
Total	170,000

(1) Primarily utilized to service the approximately 128,100 members. Includes approximately 6,200 Sites rented on an annual basis.
(2) Includes approximately 1,800 annual Sites and 1,000 transient Sites.

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

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

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

COVID-19 Pandemic Update

Since the COVID-19 pandemic began, we have taken actions to prioritize the safety and security of our employees, residents and customers, while maintaining our high-quality standards in service to our residents and customers. We have implemented and may continue to implement Centers for Disease Control and Prevention (“CDC”) and local public health department guidelines and protocols for social distancing and enhanced community and office cleaning procedures. Our Properties continue to be open subject to seasons of operations and state and local guidelines. Our property offices are open to residents and customers and we are complying with CDC recommended protocols.

We attribute the solid performance of our business to the fundamentals of our business model. The property locations and the lifestyle we offer have broad appeal to customers interested in enjoying an outdoor experience. We believe this is particularly relevant in a COVID-19 impacted environment. We intend to continue to monitor the evolving situation and we may take further actions that alter our business operations as may be required and that are in the best interests of our employees, residents, customers and shareholders. The extent of the impact that COVID-19 will have on our business going forward, including our financial condition, results of operations and cash flows, is dependent on multiple factors, many of which are unknown.

Results Overview

For the quarter ended March 31, 2022, net income available for Common Stockholders increased $17.7 million, or $0.09 per fully diluted Common Share, to $82.9 million, or $0.45 per fully diluted Common Share, compared to $65.2 million, or $0.36 per fully diluted Common Share, for the same period in 2021.

For the quarter ended March 31, 2022, FFO available for Common Stock and Operating Partnership unit ("OP Unit") holders increased $20.3 million, or $0.09 per fully diluted Common Share, to $140.9 million, or $0.72 per fully diluted Common Share, compared to $120.6 million, or $0.63 per fully diluted Common Share, for the same period in 2021.

For the quarter ended March 31, 2022, Normalized FFO available for Common Stock and OP Unit holders increased $18.8 million, or $0.08 per fully diluted Common Share, to $141.4 million, or $0.72 per fully diluted Common Share, compared to $122.6 million, or $0.64 per fully diluted Common Share, for the same period in 2021.

For the quarter ended March 31, 2022, our Core Portfolio property operating revenues, excluding deferrals, increased 9.5% and property operating expenses, excluding deferrals and property management, increased 10.3%, from the same period in 2021, resulting in an increase in income from property operations, excluding deferrals and property management, of 9.0%, compared to the same period in 2021.

We continue to focus on the quality of occupancy growth by increasing the number of manufactured homeowners in our Core Portfolio. Our Core Portfolio average occupancy includes both homeowners and renters in our MH communities and was 95.1% for each of the quarters ended March 31, 2022 and December 31, 2021. Our Core Portfolio average occupancy was 95.2% for the quarter ended March 31, 2021. The decrease in average occupancy from the prior year was due to expansion sites completed and added to our Core Portfolio during the quarter but not yet occupied as of March 31, 2022. For the quarter ended March 31, 2022, our Core Portfolio occupancy increased by 38 sites with an increase in homeowner occupancy of 191 sites, compared to occupancy as of December 31, 2021. By comparison, for the quarter ended March 31, 2021, our Core Portfolio occupancy increased 92 sites with an increase in homeowner occupancy of 109 sites. While we continue to focus on increasing the number of manufactured homeowners in our Core Portfolio, we also believe renting our vacant homes represents an attractive source of occupancy and an opportunity to potentially convert the renter to a new homebuyer in the future. We continue to expect there to be fluctuations in the sources of occupancy gains depending on local market conditions, availability of vacant sites and success with converting renters to homeowners. As of March 31, 2022, we had 3,310 occupied rental homes in our Core MH communities, including 210 homes rented through our ECHO JV.

RV and marina rental income in our Core Portfolio for the quarter ended March 31, 2022 was 21.4% higher than the same period in 2021 driven by the rebound of seasonal demand in the South and West as we welcomed back our Canadian guests and our domestic customers were able to travel without restrictions. Annual, seasonal and transient rental income for the quarter ended March 31, 2022 increased 8.6%, 64.8% and 21.2%, respectively.

Annual membership subscription revenue in our Core Portfolio increased $1.5 million, or 11%, from 2021, reflecting a 5.3% increase in the number of Thousand Trails Camping members and a rate increase of 5.7%. The increase in annual membership subscription revenue compared to 2021 was offset by a Membership upgrade sales current period, gross decrease of $2.9 million, or 28.9%, from 2021, as a result of the decrease in the number of upgrades sold primarily due to the introduction of the Adventure product during the first quarter of 2021.

Demand for our homes and communities remains strong as evidenced by factors including our high occupancy levels. We closed 261 new home sales during the quarter ended March 31, 2022, compared to 192 new home sales during the quarter ended March 31, 2021, an increase of 35.9%. The increase in new home sales was primarily due to favorable housing trends in the broader real estate market.

Our gross investment in real estate increased $82.8 million to $7,071.9 million as of March 31, 2022 from $6,989.1 million as of December 31, 2021, primarily due to acquisitions and capital improvements during the quarter ended March 31, 2022.

The following chart lists the Properties acquired or sold from January 1, 2021 through March 31, 2022 and Sites added through expansion opportunities at our existing Properties:

	Location	Type of Property	Transaction Date	Sites
Total Sites as of January 1, 2021 [(1)]				**160,500**
Acquisition Properties:				
Okeechobee KOA Resort	Okeechobee, Florida	RV	January 21, 2021	740
Cortez Village Marina	Cortez, Florida	Marina	February 5, 2021	353
Fish Tale Marina	Fort Myers Beach, Florida	Marina	February 5, 2021	296
Hi-Lift Marina	Adventure, Florida	Marina	February 5, 2021	211
Hidden Harbour Marina	Pompano Beach, Florida	Marina	February 5, 2021	357
Inlet Harbor Marina	Ponce Inlet, Florida	Marina	February 5, 2021	295
Palm Harbour Marina	Cape Haze, Florida	Marina	February 5, 2021	260
Riverwatch Marina	Stuart, Florida	Marina	February 5, 2021	306
Boathouse Marina	Beaufort, North Carolina	Marina	February 5, 2021	547
Dale Hollow State Park Marina	Burkesville, Kentucky	Marina	February 5, 2021	198
Bay Point Marina	Marblehead, Ohio	Marina	February 5, 2021	841
Rivers Edge Marina	North Charleston, South Carolina	Marina	February 5, 2021	503
Pine Haven	Cape May, New Jersey	RV	June 3, 2021	629
Myrtle Beach Property [(2)]	Myrtle Beach, South Carolina	RV	August 26, 2021	813
Voyager RV Resort [(3)]	Tucson, Arizona	RV	October 14, 2021	—
RVC Portfolio	Multiple	JV	November 1, 2021	988
Hope Valley	Turner, Oregon	RV	November 18, 2021	164
Lake Conroe	Montgomery, Texas	RV	December 15, 2021	261
Blue Mesa Recreational Ranch	Gunnison, Colorado	Membership	February 18, 2022	385
Pilot Knob RV Resort	Winterhaven, California	RV	February 18, 2022	247
Expansion Site Development:				
Sites added (reconfigured) in 2021				1,037
Sites added (reconfigured) in 2022				56
Total Sites as of March 31, 2022 [(1)]				**170,000**

(1) Sites are approximate. Total does not foot due to rounding.
(2) RV community operated by a tenant pursuant to an existing ground lease.
(3) On October 14, 2021, we completed the acquisition of the remaining interest in the Voyager RV Resort joint venture. The Voyager RV Resort joint venture sites are included in the Total Sites as of January 1, 2021.

Non-GAAP Financial Measures

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

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

Income from Property Operations and Core Portfolio

We use income from property operations, income from property operations, excluding deferrals and property management, and Core Portfolio income from property operations, excluding deferrals and property management, as alternative measures to evaluate the operating results of our Properties. Income from property operations represents rental income, membership subscriptions and upgrade sales, utility and other income less property and rental home operating and maintenance expenses, real estate taxes, sales and marketing expenses and property management expenses. Income from property operations, excluding deferrals and property management, represents income from property operations excluding property management expenses and the impact of the GAAP deferrals of membership upgrade sales upfront payments and membership sales commissions, net. We present bad debt expense within Property operating, maintenance and real estate taxes in the current and prior periods.

Our Core Portfolio consists of our Properties owned and operated during all of 2021 and 2022. Core Portfolio income from property operations, excluding deferrals and property management, is useful to investors for annual comparison as it removes the fluctuations associated with acquisitions, dispositions and significant transactions or unique situations. Our Non-Core Portfolio includes all Properties that were not owned and operated during all of 2021 and 2022. This includes, but is not limited to, six RV communities and eleven marinas acquired during 2021, one membership RV community and one RV community acquired during 2022 and our Westwinds MH community and Nicholson Plaza.

Funds from Operations ("FFO") and Normalized Funds from Operations ("Normalized FFO")

We define FFO as net income, computed in accordance with GAAP, excluding gains or losses from sales of properties, depreciation and amortization related to real estate, impairment charges and adjustments to reflect our share of FFO of unconsolidated joint ventures. Adjustments for unconsolidated joint ventures are calculated to reflect FFO on the same basis. We compute FFO in accordance with our interpretation of standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do. We receive non-refundable upfront payments from membership upgrade contracts. In accordance with GAAP, the non-refundable upfront payments and related commissions are deferred and amortized over the estimated membership upgrade contract term. Although the NAREIT definition of FFO does not address the treatment of non-refundable upfront payments, we believe that it is appropriate to adjust for the impact of the deferral activity in our calculation of FFO.

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

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

Income from Rental Operations, Net of Depreciation

We use income from rental operations, net of depreciation as an alternative measure to evaluate the operating results of our home rental program. Income from rental operations, net of depreciation represents income from rental operations less depreciation expense on rental homes. We believe this measure is meaningful for investors as it provides a complete picture of the home rental program operating results including the impact of depreciation which affects our home rental program investment decisions.

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

The following table reconciles net income available for Common Stockholders to income from property operations for the quarters ended March 31, 2022 and 2021:

(amounts in thousands)	Quarters Ended March 31, 2022	Quarters Ended March 31, 2021
Computation of Income from Property Operations:		
Net income available for Common Stockholders	$ 82,906	$ 65,240
Income allocated to non-controlling interests – Common OP Units	4,144	3,747
Equity in income of unconsolidated joint ventures	(171)	(868)
Income before equity in income of unconsolidated joint ventures	86,879	68,119
Loss on sale of real estate, net	—	59
Total other expenses, net	86,831	82,209
Gain from home sales operations and other	(2,530)	(1,383)
Income from property operations	$ 171,180	$ 149,004

The following table presents a calculation of FFO available for Common Stock and OP Unitholders and Normalized FFO available for Common Stock and OP Unitholders for the quarters ended March 31, 2022 and 2021:

(amounts in thousands)	Quarters Ended March 31, 2022	Quarters Ended March 31, 2021
Computation of FFO and Normalized FFO:		
Net income available for Common Stockholders	$ 82,906	$ 65,240
Income allocated to non-controlling interests – Common OP Units	4,144	3,747
Membership upgrade sales upfront payments, deferred, net	4,084	7,427
Membership sales commissions, deferred, net	(583)	(1,499)
Depreciation and amortization	49,394	45,398
Depreciation on unconsolidated joint ventures	941	183
Loss on sale of real estate, net	—	59
FFO available for Common Stock and OP Unit holders	140,886	120,555
Early debt retirement	516	2,029
Normalized FFO available for Common Stock and OP Unit holders	$ 141,402	$ 122,584
Weighted average Common Shares outstanding – Fully Diluted	195,246	192,685

Results of Operations

This section discusses the comparison of our results of operations for the quarters ended March 31, 2022 and March 31, 2021 and our operating activities, investing activities and financing activities for the quarters ended March 31, 2022 and March 31, 2021. For the comparison of our results of operations for the quarters ended March 31, 2021 and March 31, 2020 and discussion of our operating activities, investing activities and financing activities for the quarters ended March 31, 2021 and March 31, 2020, refer to Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations of the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2021, filed with the SEC on April 27, 2021.

Comparison of the quarter ended March 31, 2022 to the quarter ended March 31, 2021

Income from Property Operations

The following table summarizes certain financial and statistical data for our Core Portfolio and total portfolio for the quarters ended March 31, 2022 and March 31, 2021:

	Core Portfolio Quarters Ended March 31,				Total Portfolio Quarters Ended March 31,			
(amounts in thousands)	2022	2021	Variance	% Change	2022	2021	Variance	% Change
MH base rental income [(1)]	$ 154,436	$ 146,206	$ 8,230	5.6 %	$ 157,336	$ 148,974	$ 8,362	5.6 %
Rental home income [(1)]	3,954	4,288	(334)	(7.8)%	3,961	4,293	(332)	(7.7)%
RV and marina base rental income [(1)]	96,402	79,405	16,997	21.4 %	108,764	83,588	25,176	30.1 %
Annual membership subscriptions	15,103	13,651	1,452	10.6 %	15,157	13,654	1,503	11.0 %
Membership upgrades sales current period, gross	7,115	10,014	(2,899)	(28.9)%	7,151	10,014	(2,863)	(28.6)%
Utility and other income [(1)]	26,315	23,458	2,857	12.2 %	30,044	24,718	5,326	21.5 %
Property operating revenues, excluding deferrals	303,325	277,022	26,303	9.5 %	322,413	285,241	37,172	13.0 %
Property operating and maintenance [(1)(2)]	97,736	86,298	11,438	13.3 %	104,088	89,660	14,428	16.1 %
Real estate taxes	17,214	16,233	981	6.0 %	19,457	17,850	1,607	9.0 %
Rental home operating and maintenance	1,388	1,225	163	13.3 %	1,402	1,243	159	12.8 %
Sales and marketing, gross	4,899	6,175	(1,276)	(20.7)%	4,914	6,176	(1,262)	(20.4)%
Property operating expenses, excluding deferrals and property management	121,237	109,931	11,306	10.3 %	129,861	114,929	14,932	13.0 %
Income from property operations, excluding deferrals and property management [(3)]	182,088	167,091	14,997	9.0 %	192,552	170,312	22,240	13.1 %
Property management	17,871	15,380	2,491	16.2 %	17,871	15,380	2,491	16.2 %
Income from property operations, excluding deferrals [(3)]	164,217	151,711	12,506	8.2 %	174,681	154,932	19,749	12.7 %
Membership upgrade sales upfront payments and membership sales commission, deferred, net	3,501	5,928	(2,427)	(40.9)%	3,501	5,928	(2,427)	(40.9)%
Income from property operations [(3)]	$ 160,716	$ 145,783	$ 14,933	10.2 %	$ 171,180	$ 149,004	$ 22,176	14.9 %

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

(2) Includes bad debt expense for all periods presented.

(3) See Non-GAAP Financial Measures section of the Management Discussion and Analysis for definitions and reconciliations of these Non-GAAP measures to Net Income available for Common Shareholders.

Total portfolio income from property operations for the quarter ended March 31, 2022, increased $22.2 million, or 14.9%, from the quarter ended March 31, 2021, driven by an increase of $14.9 million, or 10.2%, from our Core Portfolio and an increase of $7.3 million from our Non-Core Portfolio. The increase in income from property operations from our Core Portfolio was primarily due to higher property operating revenues, excluding deferrals, primarily in RV and marina base rental income and MH base rental income, partially offset by an increase in property operating expenses, excluding deferrals and property management. The increase in income from property operations from our Non-Core Portfolio was primarily attributed to income from properties acquired in 2021 and the first quarter of 2022.

Property Operating Revenues

MH base rental income in our Core Portfolio for the quarter ended March 31, 2022 increased $8.2 million, or 5.6%, from the quarter ended March 31, 2021, which reflects 5.1% growth from rate increases and 0.5% growth from occupancy gains. The average monthly base rental income per Site in our Core Portfolio increased to approximately $747 for the quarter ended March 31, 2022 from approximately $711 for the quarter ended March 31, 2021. The average occupancy for our Core Portfolio was 95.1% and 95.2% for the quarters ended March 31, 2022 and March 31, 2021, respectively. The average occupancy rate decreased slightly due to the addition of expansion sites.

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

	Core Portfolio Quarters Ended March 31,				Total Portfolio Quarters Ended March 31,			
(amounts in thousands)	2022	2021	Variance	% Change	2022	2021	Variance	% Change
Annual	$ 55,408	$ 51,022	$ 4,386	8.6 %	$ 64,333	$ 54,519	$ 9,814	18.0 %
Seasonal	24,928	15,125	9,803	64.8 %	26,625	15,362	11,263	73.3 %
Transient	16,066	13,258	2,808	21.2 %	17,806	13,707	4,099	29.9 %
RV and marina base rental income	$ 96,402	$ 79,405	$ 16,997	21.4 %	$ 108,764	$ 83,588	$ 25,176	30.1 %

RV and marina base rental income in our Core Portfolio for the quarter ended March 31, 2022 increased $17.0 million, or 21.4%, from the quarter ended March 31, 2021, driven by an increase in Seasonal and Annual RV and marina base rental income. The increase in Seasonal RV and marina base rental income of 64.8% was driven by increases in all regions, due to the rebound of seasonal demand in the South and West as we welcomed back our Canadian guests and our domestic customers were able to travel without restrictions. The increase in Annual RV and marina base rental income was 8.6%, with 5.5% growth from rate increases and 3.1% from occupancy gains.

Annual membership subscription revenue in our Core Portfolio for the quarter ended March 31, 2022 increased $1.5 million, or 11%, from the quarter ended March 31, 2021, reflecting a 5.3% increase in the number of Thousand Trails Camping members. The increase in annual membership subscription revenue compared to 2021 was offset by a Membership upgrade sales current period, gross decrease of $2.9 million, or 28.9%, from 2021, as a result of the decrease in the number of upgrades sold primarily due to the introduction of the Adventure product during the first quarter of 2021.

Utility and other income in our Core Portfolio for the quarter ended March 31, 2022 increased $2.9 million, or 12.2%, from the quarter ended March 31, 2021. The increase was due to higher utility income of $2.0 million, pass-through income of $0.5 million, and other property income of $0.4 million. The increase in utility income was primarily due to an increase in electric income across the West, South, and Northeast. The utility recovery rate (utility income divided by utility expenses) for both the quarters ended March 31, 2022 and 2021 was approximately 46%.

Property Operating Expenses

Property operating expenses, excluding deferrals and property management, in our Core Portfolio for the quarter ended March 31, 2022 increased $11.3 million, or 10.3%, from the quarter ended March 31, 2021, driven by increases in property operating and maintenance expenses of $11.4 million and real estate taxes of $1.0 million, partially offset by a decrease in gross sales and marketing expenses of $1.3 million. Core property operating and maintenance expenses were higher in 2022 primarily due to increases in utility expenses of $4.6 million, repair and maintenance of $2.9 million, property payroll of $1.7 million and administrative expenses of $1.6 million.

Home Sales and Rental Operations

Home Sales and Other

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

	Quarters Ended March 31,			
(amounts in thousands, except home sales volumes)	**2022**	**2021**	**Variance**	**% Change**
Gross revenues from new home sales [1]	$ 25,530	$ 14,338	$ 11,192	78.1 %
Cost of new home sales [1]	23,326	13,715	9,611	70.1 %
Gross profit from new home sales	2,204	623	1,581	253.8 %
Gross revenues from used home sales	998	882	116	13.2 %
Cost of used home sales	1,410	1,153	257	22.3 %
Loss from used home sales	(412)	(271)	(141)	(52.0)%
Gross revenue from brokered resales and ancillary services	13,167	9,940	3,227	32.5 %
Cost of brokered resales and ancillary services	5,948	3,968	1,980	49.9 %
Gross profit from brokered resales and ancillary services	7,219	5,972	1,247	20.9 %
Home selling and ancillary operating expenses	6,481	4,941	1,540	31.2 %
Income from home sales and other	$ 2,530	$ 1,383	$ 1,147	82.9 %
Home sales volumes				
Total new home sales [2]	261	192	69	35.9 %
New Home Sales Volume - ECHO JV	*22*	*8*	*14*	*175.0 %*
Used home sales	72	102	(30)	(29.4)%
Brokered home resales	188	160	28	17.5 %

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(1) New home sales gross revenues and costs of new home sales do not include the revenues and costs associated with our ECHO JV.
(2) Total new home sales volume includes home sales from our ECHO JV.

Income from home sales and other operations was $2.5 million for the first quarter of 2022, an increase of $1.1 million, compared to $1.4 million in the first quarter of 2021. The increase in income from home sales and other operations was primarily due to an increase in gross profit from new home sales resulting from an increase of 69 new home sales during the first quarter of 2022 compared to the first quarter of 2021, primarily driven by favorable housing trends in the broader real estate market.

Rental Operations

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

	Quarters Ended March 31,			
(amounts in thousands, except rental unit volumes)	**2022**	**2021**	**Variance**	**% Change**
Rental operations revenue [1]	$ 11,343	$ 12,389	$ (1,046)	(8.4)%
Rental home operating and maintenance expenses	1,388	1,225	163	13.3 %
Income from rental operations	9,955	11,164	(1,209)	(10.8)%
Depreciation on rental homes [2]	2,517	2,620	(103)	(3.9)%
Income from rental operations, net of depreciation	$ 7,438	$ 8,544	$ (1,106)	(12.9)%
Gross investment in new manufactured home rental units [3]	$ 228,755	$ 237,635	$ (8,880)	(3.7)%
Gross investment in used manufactured home rental units	$ 15,009	$ 15,264	$ (255)	(1.7)%
Net investment in new manufactured home rental units	$ 185,896	$ 203,244	$ (17,348)	(8.5)%
Net investment in used manufactured home rental units	$ 7,873	$ 9,001	$ (1,128)	(12.5)%
Number of occupied rentals – new, end of period [4]	2,908	3,383	(475)	(14.0)%
Number of occupied rentals – used, end of period	402	524	(122)	(23.3)%

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(1) Consists of Site rental income and home rental income. Approximately $7.4 million and $8.1 million for the quarters ended March 31, 2022 and March 31, 2021, respectively, of Site rental income is included in MH base rental income in the Core Portfolio Income from Property Operations table. The remainder of home rental income is included in rental home income in our Core Portfolio Income from Property Operations table.

(2) Presented in Depreciation and amortization in the Consolidated Statements of Income and Comprehensive Income.

(3) New home cost basis does not include the costs associated with our ECHO JV. Our investment in the ECHO JV was $18.3 million and $17.5 million as of March 31, 2022 and March 31, 2021, respectively.

(4) Includes 210 and 295 homes rented through our ECHO JV as of March 31, 2022 and 2021, respectively.

Income from rental operations, net of depreciation, decreased $1.1 million during the first quarter of 2022, compared to the first quarter of 2021 primarily due to a decrease in rental operations revenues as a result of a decrease in the number of new occupied rentals.

Other Income and Expenses

The following table summarizes other income and expenses, net:

	Quarters Ended March 31,			
(amounts in thousands, expenses shown as negative)	**2022**	**2021**	**Variance**	**% Change**
Depreciation and amortization	$ (49,394)	$ (45,398)	$ (3,996)	(8.8)%
Interest income	1,759	1,767	(8)	(0.5)%
Income from other investments, net	1,904	936	968	103.4 %
General and administrative	(12,297)	(10,512)	(1,785)	(17.0)%
Other expenses	(823)	(698)	(125)	(17.9)%
Early debt retirement	(516)	(2,029)	1,513	74.6 %
Interest and related amortization	(27,464)	(26,275)	(1,189)	(4.5)%
Total other income and expenses, net	$ (86,831)	$ (82,209)	$ (4,622)	(5.6)%

Total other income and expenses, net increased $4.6 million for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, primarily due to higher depreciation and amortization and an increase in general and administrative costs, partially offset by a decrease in early debt retirement costs. The increase in depreciation and amortization is due to depreciation on Non-core properties acquired in 2021 and the first quarter of 2022. The decrease in early debt retirement costs was due to lower debt repayment costs for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021.

Liquidity and Capital Resources

Liquidity

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

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

On February 24, 2022, we entered into our current at-the-market ("ATM") equity offering program with certain sales agents, pursuant to which we may sell, from time-to-time, shares of our common stock, par value $0.01 per share, having an aggregate offering price of up to $500.0 million. Prior to the new program, the aggregate offering price was up to $200.0 million. As of March 31, 2022, the full capacity of our current ATM equity offering program remained available for issuance.

During the quarter ended March 31, 2022, we sold 328,123 shares of our common stock under our prior ATM equity program for gross cash proceeds of approximately $28.0 million at a weighted average share price of $86.46.

As of March 31, 2022, we had available liquidity in the form of approximately 414.0 million shares of authorized and unissued common stock, par value $0.01 per share, and 10.0 million shares of authorized and unissued preferred stock registered for sale under the Securities Act of 1933, as amended.

During the quarter ended March 31, 2022, we closed on a $200.0 million senior unsecured term loan. The maturity date is January 21, 2027. The term loan bears interest at a rate of Secured Overnight Financing Rate ("SOFR"), plus approximately 1.30% to 1.80%, depending on leverage levels. See *Item 1. Financial Statements—Note 8. Borrowing Arrangements* for further details.

We also utilize interest rate swaps to add stability to our interest expense and to manage our exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The changes in the fair value of the designated derivative are recorded in accumulated other comprehensive income (loss) on the Consolidated Balance Sheets and subsequently reclassified into earnings on the Consolidated Statements of Income and Comprehensive Income in the period that the hedged forecasted transaction affects earnings. For additional information regarding our interest rate swap, see *Item 1. Financial Statements—Note 9. Derivative Instruments and Hedging*.

We expect to meet our short-term liquidity requirements, including principal payments, capital improvements and dividend distributions for the next twelve months, generally through available cash, net cash provided by operating activities and our LOC. As of March 31, 2022, our LOC had a borrowing capacity of $431.0 million. As of March 31, 2022, the LOC bears interest at a rate of LIBOR plus 1.25% to 1.65%, carries an annual facility fee of 0.20% to 0.35% and matures on April 18, 2025.

On April 18, 2022, we closed on a secured refinancing transaction generating gross proceeds of $200.0 million. The loan is secured by one MH community, has a fixed interest rate of 3.36% per annum and has a maturity date of May 1, 2034. The net proceeds from the transaction were used to repay all debt scheduled to mature in 2022 and to repay amounts outstanding on the LOC. See *Item 1. Financial Statements—Note 13. Subsequent Events* for further details.

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

We continue to monitor the development and adoption of an alternative index to LIBOR to manage the transition. Given the majority of our current debt is secured and not subject to LIBOR, we do not believe the discontinuation of LIBOR will have a significant impact on our consolidated financial statements.

The impact the COVID-19 pandemic will continue to have on our financial condition and cashflows is uncertain and is dependent upon various factors including the manner in which operations will continue at our Properties, customer payment patterns and operational decisions we have made and may make in the future in response to guidance from public authorities and/or for the health and safety of our employees, residents and guests.

The following table summarizes our cash flows activity:

	For the quarters ended March 31,	
(amounts in thousands)	2022	2021
Net cash provided by operating activities	$ 177,331	$ 173,331
Net cash used in investing activities	(105,182)	(351,653)
Net cash (used in) provided by financing activities	(157,427)	245,790
Net (decrease) increase in cash and restricted cash	$ (85,278)	$ 67,468

Operating Activities

Net cash provided by operating activities increased $4.0 million to $177.3 million for the quarter ended March 31, 2022 from $173.3 million for the quarter ended March 31, 2021. The increase in net cash provided by operating activities was primarily due to higher income from property operations of $22.2 million, partially offset by long term incentive compensation of approximately $4.4 million paid during the first quarter of 2022 and a decrease in deferred membership revenue of $4.2 million.

Investing Activities

Net cash used in investing activities decreased $246.5 million to $105.2 million for the quarter ended March 31, 2022 from $351.7 million for the quarter ended March 31, 2021. The decrease was due to a decrease in spending on acquisitions of $280.2 million, partially offset by an increase in capital improvement spending of $26.9 million.

Capital Improvements

The following table summarizes capital improvements:

	For the quarters ended March 31,	
(amounts in thousands)	2022	2021
Asset preservation [(1)]	$ 9,906	$ 7,644
Improvements and renovations[(2)]	6,431	3,940
Property upgrades and development	30,302	23,566
New and used home investments [(3)] [(4)]	28,657	20,310
Total property improvements	75,296	55,460
Corporate	8,351	1,318
Total capital improvements	$ 83,647	$ 56,778

(1) Includes upkeep of property infrastructure including utilities and streets and replacement of community equipment and vehicles.
(2) Includes enhancements to amenities such as buildings, common areas, swimming pools and replacement of furniture and site amenities.
(3) Excludes new home investments associated with our ECHO JV.
(4) Net proceeds from new and used home sale activities are reflected within Operating Activities.

Financing Activities

Net cash used in financing activities was $157.4 million for the quarter ended March 31, 2022. Net cash provided by financing activities was $245.8 million for the quarter ended March 31, 2021. The decrease in net cash provided by financing activities was primarily due to a decrease in net debt proceeds of approximately $425.0 million, partially offset by proceeds from the sale of common stock under our ATM program of approximately $28.0 million.

Contractual Obligations

Significant ongoing contractual obligations consist primarily of long-term borrowings, interest expense, operating leases, LOC maintenance fees and ground leases. For a summary and complete presentation and description of our ongoing commitments and contractual obligations, see Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Contractual Obligations in our 2021 Form 10-K.

Westwinds

The Operating Partnership operates and manages Westwinds, a 720 site mobilehome community, and Nicholson Plaza, an adjacent shopping center, both located in San Jose, California pursuant to ground leases that expire on August 31, 2022 and do not contain extension options. Westwinds provides affordable, rent-controlled homes to numerous residents, including families with children and residents over 65 years of age. For the year ended December 31, 2021, Westwinds and Nicholson Plaza generated approximately $6.0 million of net operating income.

The master lessor of these ground leases, The Nicholson Family Partnership (together with its predecessor in interest, the “Nicholsons”), has expressed a desire to redevelop Westwinds, and in a written communication, they claimed that we were obligated to deliver the property free and clear of any and all subtenancies upon the expiration of the ground leases on August 31, 2022. In connection with any redevelopment, the City of San Jose’s conversion ordinance requires, among other things, that the landowner provide relocation, rental and purchase assistance to the impacted residents. We believe the Nicholsons are unlawfully attempting to impose those obligations upon the Operating Partnership.

Westwinds opened in the 1970s and was developed by the original ground lessee with assistance from the Nicholsons. In 1997, the Operating Partnership acquired the leasehold interest in the ground leases. In addition to rent based on the operations of Westwinds, the Nicholsons receive a percentage of gross revenues from the sale of new or used mobile homes in Westwinds.

The Operating Partnership has entered into subtenancy agreements with the mobilehome residents of Westwinds. Because the ground leases with the Nicholsons have an expiration date of August 31, 2022, and no further right of extension, the Operating Partnership has not entered into any subtenancy agreements that extend beyond August 31, 2022. However, the mobilehome residents’ occupancy rights continue by operation of California state and San Jose municipal law beyond the expiration date of the ground leases. Notwithstanding this, the Nicholsons have made what we believe to be an unlawful demand that the Operating Partnership deliver the property free and clear of any subtenancies upon the expiration of the ground leases by August 31, 2022. We believe the Nicholsons’ demand (i) violates California state and San Jose municipal law because the Nicholsons are demanding that the Operating Partnership remove all residents without just cause and (ii) conflicts with the terms and conditions of the ground leases, which contain no express or implied requirement that the Operating Partnership deliver the property free and clear of all subtenancies at the mobile home park and require, instead, that the Operating Partnership continuously operate the mobilehome park during the lease term.

On December 30, 2019, the Operating Partnership, together with certain interested parties, filed a complaint in California Superior Court for Santa Clara County, seeking declaratory relief pursuant to which it requested that the Court determine, among other things, that the Operating Partnership has no obligation to deliver the property free and clear of the mobilehome residents upon the expiration of the ground leases. The Operating Partnership and the interested parties filed an amended complaint on January 29, 2020.

The Nicholsons filed a demand for arbitration on January 28, 2020, which they subsequently amended, pursuant to which they request (i) a declaration that the Operating Partnership, as the “owner and manager” of Westwinds, is “required by the Ground Leases, and State and local law to deliver the Property free of any encumbrances or third-party claims at the expiration of the lease terms,” (ii) that the Operating Partnership anticipatorily breached the ground leases by publicly repudiating any such obligation and (iii) that the Operating Partnership is required to indemnify the Nicholsons with respect to the claims brought by the interested parties in the Superior Court proceeding.

On February 3, 2020, the Nicholsons filed a motion in California Superior Court to compel arbitration and to stay the Superior Court litigation, which motion was heard on June 25, 2020. On July 29, 2020, the Superior Court issued a final order denying the Nicholsons' motion to compel arbitration. The Nicholsons filed a notice of appeal on August 7, 2020, which appeal was heard on February 1, 2022. On February 4, 2022, the California Court of Appeal affirmed the Superior Court’s order denying the Nicholsons' motion to compel arbitration. On February 22, 2022, the Nicholsons filed a petition for rehearing, which the Court of Appeal denied on March 2, 2022. On March 16, 2022, the Nicholsons filed a petition for review with the California Supreme Court. The arbitration is stayed pursuant to an agreement between MHC and the Nicholsons.

Following the filing of our lawsuit, the City of San Jose took steps to accelerate the passage of a general plan amendment previously under review by the City to change the designation for Westwinds from its current general plan designation of Urban Residential (which would allow for higher density redevelopment), to a newly created designation of Mobile Home Park. The Nicholsons expressed opposition to this change in designation. However, on March 10, 2020, following significant pressure from residents and advocacy groups, the City Council approved this new designation for all 58 mobilehome communities in the City of San Jose, including Westwinds. In addition to requirements imposed by California state and San Jose municipal law, the change in designation requires, among other things, a further amendment to the general plan to a different land use designation by the City Council prior to any change in use.

Off-Balance Sheet Arrangements

As of March 31, 2022, we have no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Refer to Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2021 Form 10-K for a discussion of our critical accounting policies. There have been no significant changes to our critical accounting policies and estimates during the quarter ended March 31, 2022.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used, words such as "anticipate," "expect," "believe," "project," "intend," "may be" and "will be" and similar words or phrases, or the negative thereof, unless the context requires otherwise, are intended to identify forward-looking statements and may include without limitation, information regarding our expectations, goals or intentions regarding the future, and the expected effect of our acquisitions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, including, but not limited to:

- our ability to control costs and real estate market conditions, our ability to retain customers, the actual use of Sites by customers and our success in acquiring new customers at our Properties (including those that we may acquire);
- our ability to maintain historical or increase future rental rates and occupancy with respect to properties currently owned or that we may acquire;
- our ability to attract and retain customers entering, renewing and upgrading membership subscriptions;
- our assumptions about rental and home sales markets;
- our ability to manage counterparty risk;
- our ability to renew our insurance policies at existing rates and on consistent terms;
- home sales results could be impacted by the ability of potential homebuyers to sell their existing residences as well as by financial, credit and capital markets volatility;
- results from home sales and occupancy will continue to be impacted by local economic conditions, including an adequate supply of homes at reasonable costs, lack of affordable manufactured home financing and competition from alternative housing options including site-built single-family housing;
- impact of government intervention to stabilize site-built single-family housing and not manufactured housing;
- effective integration of recent acquisitions and our estimates regarding the future performance of recent acquisitions;
- the completion of future transactions in their entirety, if any, and timing and effective integration with respect thereto;
- unanticipated costs or unforeseen liabilities associated with recent acquisitions;
- our ability to obtain financing or refinance existing debt on favorable terms or at all;
- the effect of inflation and interest rates;
- the effect from any breach of our, or any of our vendors', data management systems;
- the dilutive effects of issuing additional securities;
- the outcome of pending or future lawsuits or actions brought by or against us, including those disclosed in our filings with the Securities and Exchange Commission; and
- other risks indicated from time to time in our filings with the Securities and Exchange Commission.

In addition, these forward-looking statements are subject to risks related to the COVID-19 pandemic, many of which are unknown, including the duration of the pandemic, the extent of the adverse health impact on the general population and on our residents, customers, and employees in particular, its impact on the employment rate and the economy, the extent and impact of governmental responses, and the impact of operational changes we have implemented and may implement in response to the pandemic.

These forward-looking statements are based on management's present expectations and beliefs about future events. As with any projection or forecast, these statements are inherently susceptible to uncertainty and changes in circumstances. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements whether as a result of such changes, new information, subsequent events or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We disclosed a quantitative and qualitative analysis regarding market risk in *Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk* in our 2021 Form 10-K. There have been no material changes in the assumptions used or results obtained regarding market risk since December 31, 2021.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2022. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to give reasonable assurances to the timely collection, evaluation and disclosure of information relating to us that would potentially be subject to disclosure under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder as of March 31, 2022. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Changes in Internal Control Over Financial Reporting

During the quarter ended March 31, 2022, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II – Other Information

Item 1. Legal Proceedings

See *Part I. Item 1. Financial Statements—Note 11. Commitments and Contingencies* accompanying the Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

A description of the risk factors associated with our business are discussed in *Part I. Item 1A. Risk Factors* in our 2021 Form 10-K.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

10.1	Consulting Agreement, by and between Roger Maynard and MHC Property Management Limited Partnership, dated February 10, 2022.
14.1	Equity LifeStyle Properties, Inc. Business Ethics and Conduct Policy, dated October 27, 2020.
31.1	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.
32.2	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File included as Exhibit 101 (embedded within the Inline XBRL document)

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

EQUITY LIFESTYLE PROPERTIES, INC.

Date: April 26, 2022	By:	/s/ Marguerite Nader Marguerite Nader President and Chief Executive Officer (Principal Executive Officer)
Date: April 26, 2022	By:	/s/ Paul Seavey Paul Seavey Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date: April 26, 2022	By:	/s/ Valerie Henry Valerie Henry Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT ("Agreement") is entered into as of the 10th day of February 2022, by and among Roger Maynard ("Consultant") and MHC Property Management Limited Partnership, a Delaware limited partnership (the "Company" or "MHC").

WHEREAS, Consultant has indicated his desire to voluntarily resign from his employment with MHC as of March 31, 2022 (the "Effective Date"); and

WHEREAS, the Company and Consultant desire pursuant to this Agreement to provide for Consultant to render ongoing advisory and consulting services to the Company following the Effective Date, upon and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, as well as other good and valuable consideration, the payment, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Resignation of Employment.

a. Effective at 5 pm Central Time on the Effective Date, Consultant hereby voluntarily resigns from any and all positions Consultant may hold as an officer and/or director of MHC and its affiliates, without the need for acceptance or further action by any other individual or entity.

b. The parties agree and acknowledge that Consultant's regularly scheduled base salary shall continue through the Effective Date, that Consultant's health and welfare benefits with MHC will terminate effective March 31, 2022, and that thereafter Consultant may continue his benefits in accordance with the Consolidated Omnibus Budget Reconciliation Act. For the avoidance of doubt, any outstanding equity awards held by Consultant that are not vested through the Effective Date shall be forfeited immediately following the Effective Date.

2. Scope of Engagement.

a. MHC hereby engages Consultant as an independent contractor to provide services to MHC commencing on April 1, 2022. Consultant will provide general consulting services as requested by the President and Chief Executive Officer of MHC or another individual designated by MHC (the "Services"). Among other items, the Services are intended to relate primarily to acquisition and development related projects and initiatives.

b. At all times during his performance of the Services, Consultant shall make clear that Consultant and any employee, agent or affiliate retained by Consultant, are acting as independent contractors engaged by MHC to act on its behalf, and Consultant shall have no authority, nor shall Consultant hold Consultant out to have such authority, to bind MHC to any agreement or contract, except as expressly authorized under this Agreement or as otherwise agreed in writing by a duly authorized representative of MHC. Consultant agrees that, during the Term (as defined herein), he will not be an employee of MHC, and will not be entitled to any salary, wages or payments as an employee, and shall only be entitled to the Service Fees. Consultant further agrees that, during the Term, he shall not be entitled to any employee benefits, including but not limited to workers' compensation benefits, health insurance coverage, life insurance, pension, vacation pay, sick pay, unemployment insurance, disability benefits, or other health and welfare or fringe benefits; provided, however, Consultant shall not forfeit any vested benefits he accrued as an employee of MHC on or prior to the Effective Date.

c. Consultant hereby agrees to abide by MHC's Business Ethics and Conduct Policy, as in effect from time to time, when dealing with employees of MHC, and otherwise in Consultant's performance of the Services hereunder.

d. Consultant shall devote sufficient time to Consultant's duties under this Agreement as may be necessary to complete the Services in consultation with the President and Chief Executive Officer of MHC or another individual designated by MHC, which time is currently estimated to be approximately 50% of the time Consultant dedicates to his employment as of the date of this Agreement.

e. Upon the execution of this Agreement, Consultant shall complete and submit to MHC a W-9 for Consultant. MHC shall have no obligation to Consultant under this Agreement until the completed W-9 has been submitted.

3. Term. The term ("Term") of this Agreement shall begin on April 1, 2022, and end on the Termination Date, which shall be the earlier of:

a. March 31, 2023 (the "Initial Term");

b. Upon the material breach by Consultant of any provision of this Agreement;

c. Upon the death or disability of Consultant whereby Consultant is unable to perform the essential functions of the Services; or

d. Upon thirty (30) days prior written notice of termination by either Consultant or MHC, with or without cause or reason.

e. The Term may be extended by the mutual written agreement of the parties. In all other circumstances, upon the Termination Date, the parties shall have no further obligations to each other hereunder except for payment of Service Fees earned but unpaid as of the Termination Date, or as otherwise expressly provided herein.

4. Service Fees.

a. During the Term, Consultant shall be entitled to a payment of $83,333.33 on a monthly basis (the "Service Fees"). Consultant will submit an invoice along with a description of the Services performed each month no later than 30 days following the end of that month. MHC shall review any invoice submitted and shall pay Consultant the Service Fees within 30 days of the submission for payment of any approved invoice.

b. Consultant shall be entitled to consideration for an extra payment of up to $200,000 at the discretion of the President and Chief Executive Officer of MHC contingent upon Consultant's completion of the Initial Term and satisfaction of all obligations under this Agreement, payable following the completion of the Initial Term but no sooner than April 2023.

c. Consultant shall be entitled to reimbursement of any reasonable out-of-pocket expense approved in advance by MHC and incurred during the Term in connection with the Services. Consultant acknowledges that reasonableness of expenses will be determined in accordance with MHC's travel and expense policy. Consultant shall submit such expenses periodically, and at least monthly, for review and approval for payment, and shall provide reasonable backup documentation to support the same. Payment of such expenses shall be due within 30 days of the date of submission of the same by Consultant. To the extent MHC provides Consultant with any equipment such as a computer or a cell phone, Consultant usage shall be in compliance with all applicable MHC polices.

5. Contactor Indemnities.

a. Consultant shall indemnify MHC against, and hold MHC harmless from, any and all liabilities, obligations, losses, expenses (including reasonable attorneys' fees), claims, judgments, suits, or damages of any kind whatsoever, resulting from or arising out of any fraud, misrepresentation, negligence or other misconduct of Consultant or its employees or agents in connection with the work performed under this Agreement; provided, however, Consultant shall not be required to indemnify MHC against losses caused by the sole negligence or willful misconduct of MHC.

b. MHC shall indemnify and hold harmless Consultant from any cause of action or claim brought against Consultant for work performed under this Agreement so long as Consultant has fully complied with this Agreement and all applicable laws, and is not otherwise obligated to MHC regarding the same under paragraph 5(a) above.

6. Confidentiality and Ownership.

a. Both during and after the Term, Consultant agrees that Consultant will not divulge to third parties, without the written consent of MHC, which consent shall be at MHC’s sole and complete discretion, any confidential, proprietary, or trade secret information of MHC that Consultant learns or obtains from or through MHC in connection with Consultant’s performance of the Services (the “Confidential Information”), unless (a) the information is known by Consultant prior to obtaining it from MHC, or (b) the information is obtained by Consultant from a third party who did not receive it directly or indirectly from MHC and who does not have a contractual or fiduciary duty not to disclose such information. Consultant acknowledges that Confidential Information shall include confidential, proprietary and sensitive information and materials regarding MHC, its business, investors, managers, officers, directors and the affiliates of any thereof, and Consultant agrees to maintain the confidentiality of all such Confidential Information and to use Confidential Information solely for the purpose of providing the Services to MHC and not on behalf of any third party or for Consultant’s own private use or commercial purposes. The parties acknowledge and agree that nothing in this Agreement prohibits, prevents or otherwise restricts Consultant from reporting any allegations of unlawful conduct to federal, state, or local officials for investigation, including but not limited to alleged criminal conduct or alleged unlawful employment practices, or from requesting or receiving confidential legal advice.

b. MHC provides notice to Consultant pursuant to the Defend Trade Secrets Act that: (i) an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) an individual who files a lawsuit for retaliation for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

c. Consultant agrees that all materials, notes, reports, records and other written or tangible material, whether created by Consultant or others, which are created or received in connection with the Services or otherwise come into Consultant's possession in connection with the Services (collectively the "Materials"), shall be the exclusive property of MHC to be used by Consultant only in the performance of Consultant's duties under this Agreement. Consultant shall return to MHC upon the Termination Date or earlier upon request, and will not retain any copies in any form, all Materials in his possession or control, including but not limited to any Materials containing Confidential Information.

d. Consultant agrees to assume responsibility for compliance with the terms of this Section 6 by any of Consultant's owners, managers, officers, agents or employees.

e. The obligations of this Section 6 shall survive termination of this Agreement.

7. Taxes. Consultant will assume and pay, and hold MHC harmless from, any and all taxes arising out of the Service Fees and Consultant's engagement hereunder, including, but not limited to, income tax withholding, FICA withholding, worker's compensation withholding, and federal and state unemployment insurance, and Consultant will comply with all reporting requirements in connection therewith on a timely basis. MHC shall issue Consultant a Form 1099 for all Service Fees paid under this Agreement.

8. Relationship Between the Parties. Consultant is an independent contractor, and this Agreement does not create any partnership or joint venture, or any relationship of employer and employee, master and servant, or principal and agent. Neither party has any power or authority to make any statement or representation or to incur any debt, litigation, or liability of any kind whatsoever in the name of, or for, or on account of, the other. Consultant shall determine the means and methods for performing the Services and the times that Consultant will work and location consistent with Consultant's obligations hereunder. Unless the parties mutually agree otherwise, Consultant will furnish all materials and equipment necessary to perform the Services under this Agreement, at Consultant's sole expense. During the Term, Consultant may provide services to others as an employee or consultant, provided however that Consultant may not engage in any business activity in the MH, RV and/or marina space that in the reasonable judgment of MHC would create an actual or apparent conflict of interest. Prior to commencing such other business activity in the MH, RV and/or marina space during the Term, Consultant shall disclose the nature of the proposed business activity to MHC so that MHC can evaluate the potential for conflicts of interest.

9. Miscellaneous.

a. This Agreement represents the entire agreement between the parties on the matters covered herein, and supersedes any prior or contemporaneous agreement, whether written or oral, on the subject matter covered herein. This Agreement shall be binding on the parties, their respective successors, heirs, assigns or transferees.

b. This Agreement may only be amended by a written instrument signed by the parties.

c. Consultant may not assign Consultant's rights or responsibilities under this Agreement.

d. If any provision of this Agreement is found by any court of competent jurisdiction to be void or unenforceable, the balance of this Agreement shall remain in force and effect so long as the general intent of the parties continues to be met.

e. The Agreement shall be interpreted under the substantive laws of the State of Illinois, without regard to choice of law principles. Without waiving their rights under Section 9(f) of this Agreement, in the event of a breach or threatened breach of a party's rights under this Agreement, the parties agree to the jurisdiction and venue of the federal and state courts in Chicago, Illinois when injunctive or equitable relief is sought in connection with such breach or threatened breach.

f. Except as otherwise provided herein, any claim, controversy or dispute, whether sounding in contract, statute, tort, fraud, misrepresentation, or other legal theory, between the parties, or between one party and any of the other party's related or affiliated entities, or any of their officers, directors, employees, agents or representatives, shall be resolved by confidential arbitration in accordance with the rules of the American Arbitration Association (the "AAA"), including its optional rules for emergency measures of protection then in effect. A single arbitrator shall be selected in accordance with the AAA procedures. The arbitration will be conducted in Chicago, Illinois, and all expedited procedures prescribed by the AAA rules will apply. The parties waive their rights to litigate claims in a judicial form before a judge or jury, with the exception of claims brought pursuant to Section 9(e) of this Agreement. The parties agree that they will not participate as a member in any class or collective action brought against the other party. This Section 9(f) shall not apply to any claim or cause of action where appliable law prohibits mandatory arbitration of the claim or cause of action, such as administrative charges filed with a government agency.

g. This Agreement may be executed in counterparts, and each such counterpart shall be considered an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered electronically.

IN WITNESS WHEREOF, the parties have affixed their signatures hereto as of the date first set forth above.

Consultant:

/s/ Roger Maynard
Roger Maynard

MHC PROPERTY MANAGEMENT LIMITED PARTNERSHIP,
a Delaware limited partnership

By: MHC PROPERTY MANAGEMENT GP, L.L.C.,
a Delaware limited liability company

By: MHC OPERATING LIMITED PARTNERSHIP,
an Illinois limited partnership, its sole member

By: EQUITY LIFESTYLE PROPERTIES, INC.,
a Maryland corporation, its general partner

By: /s/ Marguerite Nader
Name: Marguerite Nader
Title: President and Chief Executive Officer

EQUITY LIFESTYLE PROPERTIES, INC.
BUSINESS ETHICS AND CONDUCT POLICY

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 Human Resources Department 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 are expected at all times to 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. The Company will review violations of the Policy and may take 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 the Company’s 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 either (i) advise his or her supervisor or the Legal Department or (ii) call the Company's AlertLine at 1-833-500-1758 to submit information on a confidential and anonymous basis regarding any such concerns. The Compliance Officer will promptly investigate all calls to the AlertLine and report the results of the investigation to the Chairperson of the Audit Committee. 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 Legal Department 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 Legal Department 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. "Legal Department" refers to the Company’s General Counsel and Vice Presidents in the Company’s Legal Department.

F. Additional Information

Additional copies of this Policy are available from the Human Resources Department or the Legal Department. 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 Legal Department, 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 establish 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 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 person’s 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 Legal Department, and if necessary as determined by such supervisors and Legal Department, 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 Legal Department via use of the Related Party Disclosure form or other direct communication with the Legal Department. 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 or giving 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. Reasonable hospitality may be accepted, including traditional promotional events consistent with usual business practice, provided that it (i) cannot be construed as a bribe or payoff, (ii) is not in violation of any law, (iii) would not damage the reputation of the Company if disclosed publicly and (iv) is otherwise consistent with the best interests of the Company and this Policy.

Each director, officer or employee wherever located is expected to adhere to the letter and spirit of the United States Foreign Corrupt Practices Act (the "FCPA"), which prohibits giving or promising money or items of value to any foreign official (foreign government official, political party or candidate or public international organization) for the purpose of influencing a decision or obtaining business. The FCPA further prohibits giving money or items of value to any person or firm when there is reason to believe that it will be passed on to a government official for this purpose. No director, officer or employee shall make or recommend any payment from the Company's funds or assets to or for the benefit of a representative of any domestic or foreign government. Furthermore, no one shall ever be used as a conduit for corrupt payments. All agents of the Company must be engaged in providing legitimate business services for a fee not in excess of the customary local rate for similar services.

Notwithstanding whether the FCPA has been complied with, a relationship with public officials must not jeopardize the reputation of the officials or the Company should the full details of the relationship, including gifts or entertainment, become public. Relationships that could be perceived as questionable should be disclosed.

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 Legal Department or Chairman of the Audit Committee and be guided by the instructions he or she receives from the Legal Department 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 (2.5%) 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 same (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 Authorities

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 informational 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 Legal Department 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.

D. Anti-Money Laundering Policy

Money laundering is the process by which individuals or organizations try to conceal illicit funds or make these funds look legitimate. The Company strictly prohibits money laundering. The laws in certain countries require the Company to report suspicious activity. If any officer, director or employee deals directly with customers or vendors, the following examples may be indications of potential money laundering: attempts to make large payments in cash; payments by someone who is not a party to the contract; requests to pay more than what is provided by the contract; payments made in currencies other than those specified in the contract; payments from an unusual account; and transactions forming an unusual pattern or many repetitive cash payments. If any officer, director or employee suspects a transaction in they are participating has indicators of money laundering, they should contact the Legal Department or the AlertLine hotline.

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 workplace. 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, Nominating and Corporate Governance 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 Legal Department. 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 director, officer and employee obtain written or emailed approval from the Legal Department 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 is being reviewed or has been targeted for acquisition 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 Legal Department.

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 or herself 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 Company's stock short or engaging in other hedging transactions, 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 Legal Department.

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 retention policies seek to establish consistent practices concerning how long records should be kept and when, in the normal course of business, they should be destroyed. All employees must comply at all times with all laws, rules and regulations relating to records preservation and all document or record preservation notices. Records must be maintained for the duration of the assigned retention periods. A record is any information, regardless of physical format, which has been created or received in the transaction of the Company's business. Physical format of a record includes paper documents, CDs, DVDs, computer hard disks, email, floppy disks, microfiche, microfilm or all other media. The retention and proper disposal of the Company's records shall be in accordance with established Company policies and applicable legal and regulatory requirements.

If the existence of any pending or threatened legal action, subpoena or investigation is known or reported to you, promptly contact the Legal Department. You must retain all records that may relate to any pending or threatened legal action, subpoena or investigation. If you have a question as to whether a record pertains to a pending or threatened legal action, subpoena or investigation, contact the Legal Department before disposing of the record in question.

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 Legal Department 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 Investor Relations and Legal Departments 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. LOANS OR OTHER FINANCIAL TRANSACTIONS

No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material tenant, contractor, real estate broker/agent, partner, lender or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks, brokerage firms, other financial institutions or any company that is a material tenant, contractor, real estate broker/agent, partner, lender or competitor.

X. WAIVERS OF THE BUSINESS ETHICS AND CONDUCT POLICY

Any waiver of this Policy that applies to executive 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.

Revised by the Compensation, Nominating and
Corporate Governance Committee on October 27, 2020

Approved by the Board of Directors on October 27, 2020

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

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 Human Resource Director at 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, practice or transaction in violation of the Compliance with Governmental Authorities guidelines Set forth in the Policy? ____ ____

   (e) An activity in violation of the Antitrust and Trade Regulation guidelines set forth in the Policy? ____ ____

   (f) An activity, payment or gift to governmental officials in violation of the Relationships with Governmental Officials guidelines set forth in the Policy? ____ ____

   (g) An activity, practice or transaction in violation of the Anti-Money Laundering Policy set forth in the Policy ____ ____

   (h) A practice in violation of the Employment and Personnel

Practices guidelines of the Policy? ____ ____

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

(j) A practice in violation of the Fair and Accurate Reporting and Recordkeeping guidelines of the Policy? ____ ____

(k) An activity, practice or transaction in violation of the Disclosure or Use of Company Information guidelines set forth in the Policy? ____ ____

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

(m) An activity, practice or transaction in violation of the Loans or Other Financial Transactions guidelines set forth in the Policy? ____ ____

(n) Any violation of the Waiver of the Business Ethics and Conduct Policy guidelines set forth in the Policy? ____ ____

3. Are you aware of any of the following relationships with the Company's external auditors, Ernst & Young ("E&Y"):

(a) Do you have a personal relationship with any employees of E&Y? ____ ____

(b) Do you have a business relationship with E&Y? ____ ____

(c) Do you serve as an officer or director, or have a 10% or greater ownership interest in, any entity that has a business relationship with E&Y? ____ ____

(d) Does E&Y provide professional tax services to you or your immediate family members? ____ ____

(e) Do you have a spouse, spousal equivalent, dependent, parent, sibling, or nondependent child who is a partner or employee of E&Y? ____ ____

4. 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.

I have received, read, understand and will retain a copy of the Equity LifeStyle Properties, Inc. Business Ethics and Conduct Policy 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 Human Resources department.

Exhibit 31.1

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

I, Paul Seavey certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equity LifeStyle Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 26, 2022

By: /s/ Paul Seavey
Paul Seavey
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, Marguerite Nader, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equity LifeStyle Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 26, 2022

By: /s/ Marguerite Nader
Marguerite Nader
President and Chief Executive Officer

Exhibit 32.1

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

In connection with the accompanying Quarterly Report on Form 10-Q of Equity LifeStyle Properties, Inc. for the quarter ended March 31, 2022 (the "Form 10-Q"), I, Paul Seavey, Executive Vice President and Chief Financial Officer of Equity LifeStyle Properties, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Equity LifeStyle Properties, Inc.

Date: April 26, 2022	By:	/s/ Paul Seavey
		Paul Seavey
		Executive Vice President and Chief Financial Officer

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

Exhibit 32.2

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

In connection with the accompanying Quarterly Report on Form 10-Q of Equity LifeStyle Properties, Inc. for the quarter ended March 31, 2022 (the "Form 10-Q"), I, Marguerite Nader, 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 Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Equity LifeStyle Properties, Inc.

Date: April 26, 2022	By:	/s/ Marguerite Nader
		Marguerite Nader
		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.