

The Depository Trust Company
IMPORTANT

B#: 0655-06
DATE: December 22, 2006
TO: All Participants
CATEGORY: Dividends
FROM: Morris Richards, Supervisors, Stock Dividend Department
ATTENTION: Dividend Managers, Cashiers, and Reorganization Managers
SUBJECT: Rights: Affordable Residential Communities, Inc. CUSIP:
008273104 Rights Cusip: 008273997 R/D 12/19/06 Expires
01/23/07 5:00 New York City Time Rate: one right for
each share held.

*****WARNING TIME CRITICAL*****

Affordable Residential Communities, Inc. is issuing non-transferable rights (“Rights”) to holders of its Common stock as of the close of business on the record date of December 19, 2006 (the “Record Date”). Each holder is entitled one Right for each share of common stock held.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) MENU OPTION OF THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA) SHOULD BE USED TO CONFIRM YOUR POSITION HISTORY AND PAYMENT INFORMATION.

IT IS IMPORTANT THAT PARTICIPANTS REFER TO THE DTC REORGANIZATION INQUIRY FOR PARTICIPANTS (RIPS), FUNCTION CODE 59, FOR INFORMATION REGARDING THE SUBSCRIPTION PRIVILEGE, SALE OF RIGHTS, AND ANY EXTENSIONS TO THE EXPIRATION DATE.

If participants have any questions regarding this Important Notice, they may contact DTC’s Customer Help Center at (888) 382-2721.

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If participants have any questions regarding the Rights Offering, they may contact Innisfree M&A Inc. at (212) 270-5833.