

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarter Ended September 30, 2008
 TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 0-16701

**UNIPROP MANUFACTURED HOUSING COMMUNITIES INCOME FUND II,
a Michigan Limited Partnership**

(Exact name of registrant as specified in its charter)

MICHIGAN
(State or other jurisdiction of
incorporation or organization)

38-2702802
(I.R.S. employer
identification number)

280 Daines Street, Birmingham, Michigan 48009

(Address of principal executive offices) (Zip Code)

(248) 645-9220

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(g) of the Act:
units of beneficial assignments of limited partnership interest

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

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

Large Accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes No

UNIPROP MANUFACTURED HOUSING COMMUNITIES INCOME FUND II,
A MICHIGAN LIMITED PARTNERSHIP

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**UNIPROP MANUFACTURED HOUSING COMMUNITIES INCOME FUND II,
A MICHIGAN LIMITED PARTNERSHIP**

BALANCE SHEETS

ASSETS	<u>September 30, 2008</u> (Unaudited)	<u>December 31, 2007</u>
Properties:		
Land	\$8,952,937	\$8,952,937
Buildings And Improvements	41,246,073	41,055,929
Furniture And Fixtures	<u>543,811</u>	<u>535,620</u>
	50,742,821	50,544,486
Less Accumulated Depreciation	<u>(27,844,950)</u>	<u>(26,751,801)</u>
	22,897,871	23,792,685
Cash And Cash Equivalents	8,361,812	8,696,087
Unamortized Finance Costs	686,860	428,541
Manufactured Homes and Improvements	706,101	699,540
Other Assets	1,645,303	1,311,786
Assets of Discontinued Operations	<u>0</u>	<u>2,160,168</u>
Total Assets	<u>\$34,297,947</u>	<u>\$37,088,807</u>
LIABILITIES & PARTNERS' EQUITY	<u>September 30, 2008</u> (Unaudited)	<u>December 31, 2007</u>
Accounts Payable	\$139,538	\$142,026
Other Liabilities	448,003	363,322
Notes Payable	23,225,000	25,687,191
Liabilities of Discontinued Operations	<u>0</u>	<u>33,334</u>
Total Liabilities	23,812,541	26,225,873
Partners' Equity:		
General Partner	423,374	419,221
Unit Holders	<u>10,062,032</u>	<u>10,443,713</u>
Total Partners' Equity	<u>10,485,406</u>	<u>10,862,934</u>
Total Liabilities And Partners' Equity	<u>\$34,297,947</u>	<u>\$37,088,807</u>

See Notes to Financial Statements

**UNIPROP MANUFACTURED HOUSING COMMUNITIES INCOME FUND II,
A MICHIGAN LIMITED PARTNERSHIP**

STATEMENTS OF OPERATIONS (unaudited)	NINE MONTHS ENDED		THREE MONTHS ENDED	
	<u>September 30, 2008</u>	<u>September 30, 2007</u>	<u>September 30, 2008</u>	<u>September 30, 2007</u>
Income:				
Rental Income	\$5,330,020	\$5,641,255	\$1,761,758	\$1,837,166
Home Sale Income	694,084	848,193	269,450	375,967
Other	<u>591,614</u>	<u>690,235</u>	<u>167,614</u>	<u>302,456</u>
Total Income	<u>\$6,615,718</u>	<u>\$7,179,683</u>	<u>\$2,198,822</u>	<u>\$2,515,589</u>
Operating Expenses:				
Administrative Expenses (Including \$297,765, \$347,347, \$95,990 and \$107,841, in Property Management Fees Paid to an Affiliate for the Nine and Three Month Period Ended September 30, 2008 and 2007, respectively)	1,649,193	1,772,411	545,898	545,021
Property Taxes	691,560	680,421	230,451	226,668
Utilities	466,773	467,883	165,064	163,510
Property Operations	567,097	784,889	232,257	298,968
Depreciation	1,093,150	1,101,194	366,905	366,373
Interest	1,729,548	1,275,377	895,576	426,870
Home Sale Expense	<u>819,908</u>	<u>969,460</u>	<u>342,131</u>	<u>480,981</u>
Total Operating Expenses	<u>\$7,017,229</u>	<u>\$7,051,635</u>	<u>\$2,778,282</u>	<u>\$2,508,391</u>
(Loss) Income from Continued Operations	<u>(\$401,511)</u>	<u>\$128,048</u>	<u>(\$579,460)</u>	<u>\$7,198</u>
Income (Loss) from Discontinued Operations	<u>\$816,796</u>	<u>\$5,643,688</u>	<u>\$820,514</u>	<u>(\$18,744)</u>
Net Income (Loss)	<u>\$415,285</u>	<u>\$5,771,736</u>	<u>\$241,054</u>	<u>(\$11,546)</u>
Loss/Income Per Unit:				
Continued Operations	(0.12)	0.04	(0.18)	0.00
Discontinued Operations	0.25	1.71	0.25	(0.01)
Distribution Per Unit:	0.24	1.14	0.08	0.98
Weighted Average Number Of Units Of Beneficial Assignment Of Limited Partnership Interest Outstanding During The Nine and Three Month Period Ended September 30, 2008 and 2007.	3,303,387	3,303,387	3,303,387	3,303,387

STATEMENT OF PARTNERS' EQUITY (Unaudited)

	<u>General Partner</u>	<u>Unit Holders</u>	<u>Total</u>
Balance, December 31, 2007	\$419,221	\$10,443,713	\$10,862,934
Distributions		(792,813)	(792,813)
Net Income	4,153	411,132	\$415,285
Balance as of September 30, 2008	<u>\$423,374</u>	<u>\$10,062,032</u>	<u>\$10,485,406</u>

See Notes to Financial Statements

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**UNIPROP MANUFACTURED HOUSING COMMUNITIES INCOME FUND II,
A MICHIGAN LIMITED PARTNERSHIP**

STATEMENTS OF CASH FLOWS

(Unaudited)

	NINE MONTHS ENDED	
	<u>September 30, 2008</u>	<u>September 30, 2007</u>
Cash Flows From Operating Activities:		
Net Income	<u>\$415,285</u>	<u>\$5,771,736</u>
Adjustments To Reconcile Net Income		
To Net Cash Provided By		
Operating Activities:		
Depreciation	1,152,724	1,197,383
Amortization	17,396	15,687
Gain on Sale of Discontinued Operations	(880,656)	(5,738,731)
(Increase) Decrease in Manufactured Homes and Home Improvement	(6,561)	329,118
Increase In Other Assets	(572,158)	(100,297)
Decrease In Accounts Payable	(19,309)	(61,463)
Increase In Other Liabilities	<u>68,168</u>	<u>43,415</u>
Total Adjustments	<u>(240,396)</u>	<u>(4,314,888)</u>
Net Cash Provided By		
Operating Activities	<u>174,889</u>	<u>1,456,848</u>
Cash Flows Provided By Investing Activities:		
Proceeds from Sale of Discontinued Operations	2,934,000	11,323,487
Capital Expenditures	<u>(207,496)</u>	<u>(103,367)</u>
Net Cash Provided By		
Investing Activities	<u>2,726,504</u>	<u>11,220,120</u>
Cash Flows Used In Financing Activities:		
Distributions To Partners	(792,813)	(3,765,861)
Payment On Mortgage	(25,687,191)	(435,495)
Proceeds from Mortgage Refinancing	<u>23,225,000</u>	<u>0</u>
Net Cash Used In		
Financing Activities	<u>(3,255,004)</u>	<u>(4,201,356)</u>
(Decrease) Increase In Cash and Equivalents	(353,611)	8,475,612
Cash and Equivalents, Beginning	<u>8,715,423</u>	<u>350,659</u>
Cash and Equivalents, Ending (1)	<u>\$8,361,812</u>	<u>\$8,826,271</u>

(1) Includes cash and cash equivalents of \$2,177 and \$7,076 classified in assets of discontinued operations.

See Notes to Financial Statements

UNIPROP MANUFACTURED HOUSING COMMUNITIES INCOME FUND II,
A MICHIGAN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

September 30, 2008 (Unaudited)

1. Basis of Presentation:

The accompanying unaudited 2008 financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The balance sheet at December 31, 2007 has been derived from the audited financial statements at that date. Operating results for the nine months ended September 30, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008, or for any other interim period. For further information, refer to the consolidated financial statements and footnotes thereto included in the Partnership's Form 10-K for the year ended December 31, 2007.

2. Recent Accounting Pronouncements:

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157, *Fair Value Measurements*, which defines fair value and establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosure requirements about fair value measurements. In February 2008, the FASB issued Staff Position SFAS No. 157-2 ("FSP") which delays the effective date of SFAS No. 157 for one year for non financial assets and non financial liabilities, except items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The FSP defers the effective date of SFAS No. 157 to fiscal years beginning after November 15, 2008, and for interim periods within those fiscal years. The Partnership adopted SFAS No. 157 for financial assets and liabilities on January 1, 2008. It did not have any impact on its results of operations or financial position and did not result in any additional disclosures. The Partnership is in the process of evaluating the effect, if any, the adoption of FSP No. 157-2 will have on its financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, which permits companies to make a one-time election to carry eligible types of financial assets and liabilities at fair value, even if measurement is not required by GAAP. The statement is effective for fiscal years beginning after November 15, 2007. The Partnership adopted SFAS No. 159 on January 1, 2008, resulting in no impact on its financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosure about Derivative Instruments and Hedging Activities – An Amendment to FASB Statement No. 133*. SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities. SFAS No. 161 will be

effective for financial statements issued for fiscal years beginning after November 15, 2008. The Partnership does not expect SFAS No. 161 will have a material impact on its financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (the GAAP hierarchy). SFAS No. 162 will become effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AICPA Professional Standards AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. The adoption of SFAS No. 162 is not expected to have a material impact on the Partnership's financial statements.

3. Discontinued Operations:

As described in Form 8-K dated March 13, 2007, the Partnership had entered into a Contract for Sale and Purchase of Real and Personal Property with a private buyer for the Paradise Village Manufactured Housing Community located in Tampa, Florida. On May 17, 2007, the buyer closed on the purchase for a price of \$11,725,000 less closing costs for a net proceeds amount of \$11,323,000. The Partnership recognized a gain on sale of property totaling \$5,739,000 for the quarter ended June 30, 2007. The Partnership distributed approximately \$3 million from the sale with the balance of the proceeds being maintained in reserve until such time as the General Partner determines the optimal use of the funds. As a result of the sale, the Partnership has classified the Paradise Village community and associated financial results as "discontinued operations" in the accompanying financial statements for all historical periods.

As described in Form 8-K dated July 28, 2008, the Partnership had entered into a Contract for Sale and Purchase of Real and Personal Property with a private buyer for the Country Roads Manufactured Housing Community located in Jacksonville, Florida. On August 7, 2008, the buyer closed on a purchase price of \$3,000,000, less closing costs for proceeds in the amount of \$2,934,000. The Partnership recognized a gain on the sale of approximately \$ 881,000. The Partnership intends to distribute cash reserves from the sale. As a result of the sale, the Partnership has classified the Country Roads community and associated financial results as "discontinued operations" in the accompanying financial statements for all historical periods.

The carrying amounts of the major classes of assets and liabilities of discontinued operations as of December 31, 2007, were as follows:

Property and equipment, net	\$ 1,983,413
Other assets	176,755
Total Assets of Discontinued Operations	\$ 2,160,168
Accounts payable	\$ 16,821
Other liabilities	16,513
Total Liabilities of Discontinued Operations	\$ 33,334

The major classes of revenue and expenses of Discontinued operations for the nine months ended September 30, 2008, and 2007 were as follows:

<i>Nine Months Ended September 30,</i>	2008	2007
Rental income	\$ 251,239	\$ 743,843
Other Income	40,091	155,511
Administrative expenses	(179,838)	(417,598)
Property tax expense	(34,093)	(202,100)
Utilities expense	(46,919)	(82,180)
Property operations	(34,766)	(130,046)
Depreciation expense	(59,574)	(96,189)
Home Sale Expense	-	(66,284)
Loss From Discontinued Operations prior to sale of Property	(63,860)	(95,043)
Gain on Sale of Property	880,656	5,738,731
Income from Discontinued Operations	\$816,796	\$5,643,688

The major classes of revenue and expenses of discontinued operations for the three months ended September 30, 2008 and 2007 were as follows:

<i>Three Months Ended September 30,</i>	2008	2007
Rental income	37,739	114,178
Other Income	12,212	17,664
Administrative expenses	(86,427)	(59,978)
Property tax expense	(4,381)	(14,856)
Utilities expense	(13,434)	(17,573)
Property operations	(5,851)	(27,501)
Depreciation expense	-	(30,678)
(Loss) From Discontinued Operations prior to sale of Property	(60,142)	(18,744)
Gain on Sale of Property	880,656	-
Gain (Loss) from Discontinued Operations	\$820,514	(\$18,744)

4. Mortgage Payable:

On August 29, 2008, the Partnership refinanced its existing mortgage note payable and executed seven new mortgages payable in the amount of \$23,225,000 secured by the seven properties of the Partnership. To pay off the prior mortgage balance of \$25,277,523 and the costs of refinancing, the Partnership transferred \$2,735,555 from cash reserves. The mortgages are payable in monthly installments of interest and principal through September 2033. Interest on these notes is accrued at a fixed rate of 6.625% for five years, at which time, the rate will reset to the lender's then prevailing market rate. As of September 30, 2008 the balance on these notes was \$23,225,000. In connection with the refinancing, the Partnership incurred early extinguishment of debt costs of approximately \$418,083.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157, *Fair Value Measurements*, which defines fair value and establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosure requirements about fair value measurements. In February 2008, the FASB issued Staff Position SFAS No. 157-2 ("FSP") which delays the effective date of SFAS No. 157 for one year for non financial assets and non financial liabilities, except items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The FSP defers the effective date of SFAS No. 157 to fiscal years beginning after November 15, 2008, and for interim periods within those fiscal years. The Partnership adopted SFAS No. 157 for financial assets and liabilities on January 1, 2008. It did not have any impact on its results of operations or financial position and did not result in any additional disclosures. The Partnership is in the process of evaluating the effect, if any, the adoption of FSP No. 157-2 will have on its financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, which permits companies to make a one-time election to carry eligible types of financial assets and liabilities at fair value, even if measurement is not required by GAAP. The statement is effective for fiscal years beginning after November 15, 2007. The Partnership adopted SFAS No. 159 on January 1, 2008, resulting in no impact on its financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosure about Derivative Instruments and Hedging Activities – An Amendment to FASB Statement No. 133*. SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities. SFAS No. 161 will be effective for financial statements issued for fiscal years beginning after November 15, 2008. The Partnership does not expect SFAS No. 161 will have a material impact on its financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*". SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (the GAAP hierarchy). SFAS No. 162 will become effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AICPA Professional Standards AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. The adoption of SFAS No. 162 is not expected to have a material impact on the Partnership's financial statements.

Liquidity and Capital Resources

Partnership liquidity is based, in part, upon its investment strategy. Upon acquisition, the Partnership anticipated owning the properties for seven to ten years. All of the properties have

been owned by the Partnership for more than ten years. The General Partner may elect to have the Partnership own the properties for as long as, in the opinion of the General Partner, it is in the best interest of the Partnership to do so.

The Partnership's capital resources consist primarily of its seven manufactured home communities. On August 29, 2008, the Partnership refinanced these properties with Stancorp Mortgage Investors, LLC (the "Refinancing") in the amount of \$23,225,000 secured by the seven properties of the Partnership. To pay off the prior mortgage balance of \$25,277,523 and the costs of refinancing, the Partnership transferred \$2,735,555 from cash reserves. The mortgages are payable in monthly installments of interest and principal through September 2033. Interest on these notes are accrued at a fixed rate of 6.625% for five years, at which time, the rate will reset to the lenders then prevailing market rate. As of September 30, 2008 the balance on these notes was \$23,225,000.

The Partnership incurred \$693,798 in financing costs as a result of the refinancing which is being amortized over the life of the loan. This included a 1% fee payable to an affiliate of the General Partner.

As described in Form 8-K dated July 28, 2008, the Partnership had entered into a Contract for Sale and Purchase of Real and Personal Property with a private buyer for the Country Roads Manufactured Housing Community located in Jacksonville, Florida. On August 7, 2008, the buyer closed on a purchase price of \$3,000,000, less closing costs for proceeds in the amount of \$2,934,000. The Partnership recognized a gain on the sale of approximately \$ 881,000. The Partnership is currently in discussion as to the distribution of cash reserves from the sale. As a result of the sale, the Partnership has classified the Country Roads community and associated

financial results as "discontinued operations" in the accompanying financial statements for all historical periods.

As a result of the Refinancing, all of the Partnership's seven properties are mortgaged. At the time of the Refinancing, the aggregate principal amount due under the seven mortgage notes was \$23,225,000 and the aggregate fair market value of the Partnership's mortgaged properties was \$73,550,000. The Partnership expects to meet its short-term liquidity needs generally through its working capital provided by operating activities.

The General Partner has decided to distribute \$825,847, or \$.25 per unit, to the unit holders for the third quarter ended September 30, 2008. This represents the normal \$.08 quarterly distribution plus a special distribution of \$.17 per unit relating to the sale of the Country Roads property. The General Partner will continue to monitor cash flow generated by the Partnership's seven properties during the coming quarters. If cash flow generated is greater or lesser than the amount needed to maintain the current distribution level, the General Partner may elect to reduce or increase the level of future distributions paid to Unit Holders.

As of September 30, 2008, the Partnership's cash balance amounted to \$8,361,812. The level of cash balance maintained is at the discretion of the General Partner.

Results of Operations

Overall, as illustrated in the following table, the Partnership's seven properties reported combined occupancy of 54% at the end of September 2008, versus 57% for September 2007. The average monthly homesite rent as of September 30, 2008 was approximately \$466, versus \$455 from September 2007 (average rent not a weighted average).

	Total Capacity	Occupied Sites	Occupancy Rate	Average* Rent
Ardmor Village	339	189	56%	\$466
Camelot Manor	335	124	37%	394
Dutch Hills	278	137	49%	395
El Adobe	367	211	58%	483
Stonegate Manor	308	131	43%	381
Sunshine Village	356	189	53%	586
West Valley	<u>421</u>	<u>328</u>	<u>78%</u>	<u>552</u>
Total on 9/30/08:	2,404	1,309	54%	\$466
Total on 9/30/07:	2,404	1,370	57%	\$455

***Not a weighted average**

	Gross Revenue		Net Operating Income and Net Income (Loss)		Gross Revenue		Net Operating Income and Net Income (Loss)	
	9/30/2008 three months ended	9/30/2007 three months ended	9/30/2008 three months ended	9/30/2007 three months ended	09/30/2008 nine months ended	09/30/2007 nine months ended	09/30/2008 nine months ended	09/30/2007 nine months ended
Ardmor	\$265,005	\$333,319	\$116,062	\$118,145	\$816,361	\$1,025,388	\$373,895	\$392,198
Camelot Manor	184,381	251,632	39,239	88,952	578,054	628,205	147,742	190,979
Dutch Hills	174,237	218,937	63,771	62,033	561,462	586,814	198,137	207,917
El Adobe	321,375	409,179	157,225	85,683	958,007	1,032,230	498,101	399,205
Stonegate	178,757	232,409	38,328	50,774	585,443	627,001	241,977	145,488
Sunshine	364,469	367,330	88,456	164,673	1,032,441	1,263,160	404,096	656,953
West Valley	<u>670,336</u>	<u>612,162</u>	<u>295,557</u>	<u>324,879</u>	<u>1,943,354</u>	<u>1,860,134</u>	<u>939,875</u>	<u>973,561</u>
	2,158,560	2,424,968	798,638	895,139	6,475,122	7,022,932	2,803,823	2,966,301
Partnership Management	40,262	90,621	(43,560)	31,326	140,596	156,751	(237,783)	(140,912)
Other Expense	-----	-----	(72,057)	(126,024)	-----	-----	(144,853)	(320,769)
Interest Expense	-----	-----	(895,576)	(426,870)	-----	-----	(1,729,548)	(1,275,377)
Depreciation	-----	-----	<u>(366,905)</u>	<u>(366,373)</u>	-----	-----	<u>(1,093,150)</u>	<u>(1,101,194)</u>

Continuing Operations	\$2,198,822	\$2,515,589	(\$579,460)	\$7,198	\$6,615,718	\$7,179,683	(\$401,511)	\$128,048
Discontinued Operations	<u>996,607</u>	<u>129,777</u>	<u>820,514</u>	<u>(18,744)</u>	<u>1,237,986</u>	<u>7,013,333</u>	<u>816,796</u>	<u>5,643,688</u>
Total	\$3,195,429	\$2,645,366	\$241,054	(\$11,546)	\$7,853,704	\$14,193,016	\$415,285	\$5,771,736

Net Operating Income (“NOI”) is a non-GAAP financial measure equal to net income, the most comparable GAAP financial measure, plus depreciation, interest expense, partnership management expense, and other expenses. The Partnership believes that NOI is useful to investors and the Partnership’s management as an indication of the Partnership’s ability to service debt and pay cash distributions. NOI presented by the Partnership may not be comparable to NOI reported by other companies that define NOI differently, and should not be considered as an alternative to net income as an indication of performance or to cash flows as a measure of liquidity or ability to make distributions.

Comparison of Three Months Ended September 30, 2008 to Three Months Ended September 30, 2007

Gross revenues from continued operations decreased \$316,767 to \$2,198,822 in 2008, as compared to \$2,515,589 in 2007. The decrease was the result of lower occupancy and home sales due to weak economic conditions. (See table on previous page.)

As described in the Statements of Operations, total operating expenses from continued operations increased \$269,891, to \$2,778,282 in 2008, as compared to \$2,508,391 in 2007. The increase was primarily a result of the early extinguishment of debt costs of approximately \$418,083, which was offset by reduced property operations expense and home sale expense.

As a result of the aforementioned factors, the Partnership experienced a loss from continuing operations of \$579,460 for the third quarter of 2008 compared to income from continuing operations of \$7,198 for the same period in 2007.

Discontinued Operations

Gross revenues from discontinued operations decreased \$81,891 to \$49,951 in 2008 as compared to \$131,842 in 2007. The decrease was mainly due to the sale of Country Roads in early August 2008.

Total operating expenses from discontinued operations were \$40,493 lower, moving from \$150,586 in 2007 to \$110,093 in 2008. The decreases were mainly due to the sale of Country Roads.

As a result of the aforementioned factors, the Partnership had a loss from discontinued operations of \$60,142 for the third quarter of 2008, which was offset by the gain on the sale of the Country Roads in the amount of \$880,656. As compared to the third quarter in 2007, the Partnership suffered a loss from discontinued operations of \$18,744.

Comparison of Nine Months Ended September 30, 2008 to Nine Months Ended September 30, 2007

Gross revenues from continued operations decreased \$563,965 to \$6,615,718 in 2008, from \$7,179,683 in 2007. The decrease was mainly due to a decrease in rent revenue due to lower occupancy as a result of weak economic conditions. (See table on previous page.)

As described in the Statements of Operations, total operating expenses from continued operations decreased \$34,406 to \$7,017,229 in 2008, as compared to \$7,051,635 in 2007. The decrease was primarily a result of reduced administrative expense, property operations expense and home sale expense offset by minimal increases in property tax and utilities expenses and the early extinguishment of debt costs.

As a result of the aforementioned factors, the Partnership experienced a loss from continuing operations of \$401,511 for the first nine months of 2008 compared to income from continuing operations of \$128,048 for the same nine month period in 2007.

Discontinued Operations

Gross revenues from discontinued operations decreased \$492,604 to \$291,330 in 2008 as compared to \$899,354 in 2007. The decrease was mainly due to the sale of Country Roads in early August 2008.

Total operating expenses from discontinued operations were \$639,207 lower, moving from \$994,397 in 2007 to \$355,190 in 2008. The decreases were mainly due to the sale of Country Roads.

As a result of the aforementioned factors, the Partnership had a loss from discontinued operations of \$63,860 for the first nine months of 2008, which was offset by the gain on the sale of the Country Roads in the amount of \$880,656. As compared to the same nine month period in 2007, the Partnership suffered a loss from discontinued operations of \$95,043, which was offset by the gain on sale of Paradise Village in the amount of \$5,738,731.

Off Balance Sheet Arrangements

The Partnership has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Partnership's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to its investors.

ITEM 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Partnership is exposed to interest rate rise primarily through its borrowing activities.

There is inherent roll over risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and the Partnership's future financing requirements.

Note Payable: At September 30, 2008 the Partnership had notes payable outstanding in the amount of \$23,225,000. Interest on these notes is at a fixed annual rate of 6.625% through September 2013 at which time, the rate will reset to the lender's then prevailing market rate.

The Partnership does not enter into financial instruments transactions for trading or other speculative purposes or to manage its interest rate exposure.

ITEM 4.

CONTROLS AND PROCEDURES

As of the end of the period covered by this report, the Partnership carried out an evaluation, under the supervision and with the participation of the Principal Executive Officer and the Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon, and as of the date of, this evaluation, the Principal Executive Officer and the Principal Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed in the quarterly report is recorded, processed, summarized and reported as and when required.

There was no change in the Partnership's internal controls over financial reporting that occurred during the most recent completed quarter that has materially affected, or is reasonably likely to materially affect, the Partnership's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On January 17, 2008, a Housing Discrimination Complaint was filed with the U. S. Department of Housing and Urban Development ("HUD"). This is specifically in relation to West Valley located in Las Vegas, NV. After an investigation of the complaint, the Partnership has since received notification from HUD stating that based on the evidence obtained during the investigation, no reasonable cause exists to believe that any discriminatory housing practice has occurred. As a result, the complaint has been dismissed.

ITEM 1A. RISK FACTORS

FACTORS THAT MAY AFFECT FUTURE OPERATING RESULTS

The following risks and uncertainties could cause our business, financial condition or results of operations to be materially adversely affected. In that case, we might not be able to pay distributions on our Units, the net asset values of the Units could decline, and a Unit holder might lose all or a portion of its investment.

1. **Real Estate Investments.** The Partnership's investments are subject to the same risks generally incident to the ownership of real estate including: the uncertainty of cash flow to meet fixed or variable obligations, adverse changes in economic conditions, changes in the investment climate for real estate, adverse changes in local market conditions, changes in interest rates and the availability of mortgage funds or chattel financing, changes in real estate tax rates, governmental rules and regulations, acts of God and the inability to attract or retain residential tenants.

The manufactured housing industry is now in the seventh consecutive year of declining unit sales due, in part, to lack of financing for the purchase of manufactured homes intended to be sited in land-lease communities.

Residential real estate, including manufactured housing communities, is subject to adverse housing pattern changes and uses, vandalism, rent controls, rising operating costs and adverse changes in local market conditions such as a decrease in demand for residential housing due to a decrease in employment. State governments also often regulate the relationship between manufactured housing community owners and residents.

2. **Real Estate Appraisals.** The Partnership appraises its properties annually. Should the Partnership actually sell a property, the net cash proceeds from the sale may or may not correspond to the appraised value. In the event the appraised value exceeds the actual value, the Partnership's ability to meet its obligations could be adversely affected.
3. **The General Partner and its Affiliates have Conflicts of Interest.** Although the General Partner has a fiduciary duty to manage the Partnership in a manner beneficial to the Unit holders, the directors and officers of the General Partner have a fiduciary duty to manage the General Partner in a manner beneficial to its owners. Furthermore, certain directors and officers of the General Partner are directors or officers of affiliates of the General Partner. Conflicts of interest may arise between the General Partner and its affiliates and the Unit holders. As a result of these conflicts, the General Partner may favor its own interests and the interests of its affiliates over the interests of the Unit holders.
4. **Reliance on General Partner's Direction and Management of the Properties.** The success of the Partnership will, to a large extent, depend on the quality of the management of the Properties by the General Partner and affiliates of the General Partner and their collective judgment with respect to the operation, financing and disposition of the Properties. To the extent that the General Partner and its affiliates are unable to hire and retain quality management talent, the Partnership's financial results and operations may be adversely affected.
5. **Federal Income Tax Risks.** Federal income tax considerations will affect materially the economic consequences of an investment in the Properties. The tax consequences of the

Partnership's activities are complex and subject to many uncertainties. Changes in the federal income tax laws or regulations may adversely affect the Partnership's financial results and its ability to make distributions to the Unit holders. Additionally, the tax benefits enjoyed by the Unit holders may be reduced or eliminated.

6. **Limited Liquidity of the Units.** The transfer of Units is subject to certain limitations. The public market for such Units is limited. Unit Holders may not be able to liquidate their investment promptly or at favorable prices, if at all.
7. **Competition.** The business of owning and operating residential manufactured housing communities is highly competitive. The Partnership competes with a number of established communities having greater financial resources. Moreover, there has been a trend for manufactured housing community residents to purchase home sites either collectively or individually. The Partnership's inability to compete successfully with its competitors would adversely impact the Partnership's financial results and operations.
8. **Management and Control of Partnership Affairs.** The General Partner is vested with full authority as to the general management and supervision of the business affairs of the Partnership. The Unit Holders do not have the right to participate in the management of the Partnership or its operations. However, the vote of Unit Holders holding more than 50% of the outstanding interests is required to: (a) amend the Partnership Agreement; (b) approve or disprove the sale in one, or a series of, transactions of all or substantially all of the assets of the Partnership; (c) dissolve the Partnership; (d) remove the General Partner; or (e) approve certain actions by the General Partner that the Consultant recommends against.
9. **Uninsured Losses.** The Partnership carries comprehensive insurance, including liability, fire and extended coverage, and rent loss insurance which is customarily obtained for real estate projects. There are certain types of losses, however, that may be uninsurable or not economically insurable such as certain damage caused by a hurricane. If such losses were to be incurred, the financial position and operations of the Partnership as well as the Partnership's ability to make distributions would be adversely affected.
10. **Environmental Matters.** Because the Partnership deals with real estate, it is subject to various federal, state and local environmental laws, rules and regulations. Changes in such laws, rules and regulations may cause the Partnership to incur increased costs of compliance which may have a material adverse effect on the operations of the Partnership and its ability to make distributions to Unit holders.
11. **No Guarantee of Distributions.** The General Partner may withhold cash for extended periods of time if such cash is necessary to build cash reserves or for the conduct of the Partnership's business. A Unit holder will be required to pay federal income taxes, and, in some cases, state and local income taxes on the Unit holder's share of the Partnership's taxable income, whether or not cash distributions are made by the Partnership. A Unit holder may not receive cash distributions from the Partnership equal to the holder's share of taxable income or even equal to the tax liability that results from the Unit holder's share of the Partnership's taxable income.

12. The Partnership May Not be Able to Generate Sufficient Working Capital to Fund its Operations. There can be no assurance that the Partnership will generate sufficient working capital from operations to operate the business or to fund distributions. Further, there can be no assurance that the Partnership will be able to borrow additional funds on terms favorable to the Partnership, if at all, to meet unanticipated working capital needs or to make distributions to the Unit holders.

ITEM 6.

EXHIBITS

- Exhibit 31.1** Principal Executive Officer Certification pursuant to Rule 13a-14(a)/15d-14(a) of The Securities and Exchange Act of 1934, as amended
- Exhibit 31.2** Principal Financial Officer Certification pursuant to Rule 13a-14(a)/15d-14(a) of The Securities and Exchange Act of 1934, as amended
- Exhibit 32.1** Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes –Oxley Act of 2002.

SIGNATURES

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.

Uniprop Manufactured Housing Communities
Income Fund II, a Michigan Limited Partnership

BY: Genesis Associates Limited Partnership,
General Partner

BY: Uniprop, Inc.,
its Managing General Partner

By: /s/ Paul M. Zlotoff
Paul M. Zlotoff, President

By: /s/ Joel Schwartz
Joel Schwartz, Principal Financial Officer

Dated: November 12, 2008

Exhibit 31.1

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

I, Paul M Zlotoff, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Uniprop Manufactured Housing Income Fund II;
2. Based on my knowledge, this quarterly 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 quarterly 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 officers 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2008

Signature: /s/ Paul M. Zlotoff

Paul M. Zlotoff, Principal Executive Officer
President & Director of Uniprop, Inc.

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

I, Joel Schwartz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Uniprop Manufactured Housing Income Fund II;
2. Based on my knowledge, this quarterly 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 I report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 officers 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2008

Signature: /s/ Joel Schwartz

Joel Schwartz, Principal Financial Officer
Chief Financial Officer of Uniprop Inc.

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Uniprop Manufactured Housing Communities Income Fund II (the "Company") on Form 10-Q for the period ending September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Paul M Zlotoff, Principal Executive Officer of the Company, Joel Schwartz, Principal Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934; and
2. The information contained in the Report fairly presents, in all material respect, the financial condition and results of operations of the Company.

/s/ Paul M Zlotoff

Principal Executive Officer,
General Partner to Genesis Associates Limited Partnership
President & Director of Uniprop Inc.

/s/ Joel Schwartz

Principal Financial Officer of Uniprop, Inc.

November 12, 2008