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SUN COMMUNITIES INC
Form DEF 14A
April 10, 2001

1

SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the registrant ☒ [X]

Filed by a party other than the registrant ☐ []

Check the appropriate box:

☐ [] Preliminary proxy statement. ☐ [] Confidential, for use of the
Commission only (as permitted by
Rule 14a-6(e)(2)).

☒ [X] Definitive proxy statement.

☐ [] Definitive additional materials.

☐ [] Soliciting material pursuant to Rule 14a-12

Sun Communities, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of filing fee (check the appropriate box):

☒ [X] No fee required.

☐ [] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and
0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (set forth the amount on which the
filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

[] Fee paid previously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

2

SUN COMMUNITIES, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 22, 2001

To the Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders of Sun Communities, Inc. (the "Company") will be held at the Best Western Executive Hotel & Suites, 31525 West Twelve Mile Road, Farmington Hills, Michigan 48334, on Tuesday, May 22, 2001, at 11:00 a.m., local time, for the following purposes:

- (1) To elect two Directors to serve until the Annual Meeting of Shareholders to be held in 2004 or until their successors shall have been duly elected and qualified; and
- (2) To transact such other business as may properly come before the meeting.

A Proxy Statement containing information relevant to the Annual Meeting appears on the following pages.

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Only holders of Common Stock of record at the close of business on April 2, 2001, are entitled to notice of and to vote at the meeting or any adjournments.

If you do not plan to attend the meeting and you wish to vote in accordance with the Board of Director's recommendations, it is not necessary to specify your choices; merely sign, date, and return the enclosed Proxy Card. If you attend the meeting, you may withdraw your Proxy and vote your own shares.

By Order of the Board of Directors

JEFFREY P. JORISSEN
Secretary

Dated: April 9, 2001

ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. HOWEVER, TO ENSURE YOUR REPRESENTATION AT THE MEETING, YOU ARE ENCOURAGED TO SIGN, DATE AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN THE POSTAGE-PAID ENVELOPE ENCLOSED FOR THAT PURPOSE.

3

SUN COMMUNITIES, INC.

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 22, 2001

PROXIES AND SOLICITATIONS

This Proxy Statement is furnished to shareholders in connection with the solicitation of proxies by the Board of Directors (the "Board") of Sun Communities, Inc. ("Sun" or the "Company") to be used at the Annual Meeting of Shareholders (the "Annual Meeting") and at any adjournments. If received in time for the Annual Meeting, the shares represented by a valid proxy will be voted in accordance with the specifications, if any, contained in such executed proxy. If no instructions are given, proxies will be voted: (a) FOR election of the two nominees for the Board; and (b) at the discretion of Gary A. Shiffman and Arthur A. Weiss, the Board's designated representatives for the Annual Meeting, with respect to such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof. A proxy executed in the enclosed form may be revoked by the person signing it at any time before it is exercised. Proxies may be revoked by filing with the Secretary of the Company, any time prior to the time set for commencement of the Annual Meeting, a written notice of revocation bearing a later date than the proxy, or by attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute revocation of a proxy).

In addition to the use of mails, proxies may be solicited by personal interview, telephone and telegram, by directors, officers and employees of the Company. Arrangements may also be made with brokerage houses or other custodians, nominees and fiduciaries to forward solicitation material to the beneficial owners of shares of the Company's common stock (the "Common Stock") held of record by such persons, and the Company may reimburse such persons for reasonable out-of-pocket expenses incurred in forwarding material. The Company

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anticipates that fees and expenses for the foregoing parties will not exceed \$1,000. The costs of all proxy solicitation will be borne by the Company.

The executive offices of the Company are located at 31700 Middlebelt Road, Suite 145, Farmington Hills, Michigan 48334. The approximate date of mailing of this Proxy Statement and the enclosed Proxy materials to the Company's shareholders is April 10, 2001.

TIME AND PLACE OF MEETING

The Annual Meeting will be held at the Best Western Executive Hotel & Suites, 31525 West Twelve Mile Road, Farmington Hills, Michigan 48334, on Tuesday, May 22, 2001, at 11:00 a.m., local time.

VOTING RIGHTS AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Only shareholders of record at the close of business on April 2, 2001 are entitled to notice of and to vote at the Annual Meeting or at any adjournments. As of that date, the Company had 17,706,933 shares of Common Stock issued, outstanding and entitled to vote held by 755 holders of record. Each outstanding share entitles the record holder to one vote. Shares cannot be voted at the Annual Meeting unless the holder is present in person or represented by proxy. The presence, in person or by proxy, of shareholders entitled to vote a majority of the voting shares that are outstanding and entitled to vote will constitute a quorum.

Information concerning principal holders of the Common Stock is discussed under "Security Ownership of Certain Beneficial Owners and Management."

INCORPORATION BY REFERENCE

To the extent this Proxy Statement has been or will be specifically incorporated by reference into any filing by the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, the sections of this Proxy Statement entitled "Report of the Audit Committee,"

-1-

4

"Report of the Compensation Committee on Executive Compensation" and "Shareholder Return Performance Presentation" shall not be deemed to be so incorporated unless specifically otherwise provided in any such filing.

ANNUAL REPORT

Shareholders are concurrently being furnished with a copy of the Company's 2000 Annual Report which contains its audited financial statements as of December 31, 2000. In addition, copies of the Company's Annual Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission (the "SEC"), will be sent to any shareholder, without charge, upon written request to Sun Communities Investor Services, 31700 Middlebelt Road, Suite 145, Farmington Hills, Michigan 48334.

ELECTION OF DIRECTORS (SOLE PROPOSAL)

The only matter expected to be considered at the Annual Meeting will be the election of two directors. It is proposed that these positions be filled by

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persons nominated to the Board by management. Each director shall be elected by a plurality of the votes cast at the Annual Meeting. Therefore, if a quorum is present, abstentions and broker non-votes will have no effect on the election of directors. Proxies will be tabulated by the Company's transfer agent. The Inspector of Elections appointed at the Annual Meeting will then combine the proxy votes with the votes cast at the Annual Meeting. Each director elected at the Annual Meeting will serve for a term commencing on the date of the Annual Meeting and continuing until the Annual Meeting of Shareholders to be held in 2004 or until his successor is duly elected and qualified. In the absence of directions to the contrary, proxies will be voted in favor of the election of the two nominees listed below.

If either of the nominees named below are unavailable to serve for any reason, then a valid proxy may be voted for the election of such other persons as the person or persons voting the proxy may deem advisable in accordance with their best judgment. Management has no present knowledge that either of the persons named will be unavailable to serve. In any event, the enclosed proxy can be voted for only the two nominees named in this Proxy Statement or their substitutes.

THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE NOMINEES NAMED BELOW. PROXIES SOLICITED BY THE BOARD WILL BE VOTED "FOR" THE NOMINEES UNLESS INSTRUCTIONS TO WITHHOLD OR TO THE CONTRARY ARE GIVEN.

The following list identifies each incumbent director and nominee for election to the Board at the Annual Meeting and describes each person's principal occupation for the past five years. Each of the directors has served continuously from the date of his election to the present time.

NAME ----	AGE ---	OFFICE -----
Gary A. Shiffman.....	46	Chairman, Chief Executive Of President and Director
Paul D. Lapidès.....	46	Director
Clunet R. Lewis.....	54	Director (Nominee)
Ronald L. Piasecki.....	62	Director
Ted J. Simon.....	70	Director
Arthur A. Weiss.....	52	Director (Nominee)

GARY A. SHIFFMAN is the Chairman, President and Chief Executive Officer, and has been an executive officer of Sun since its inception. He has been actively involved in the management, acquisition, construction and development of manufactured housing communities and has developed an extensive network of industry relationships over the past 17 years. He has overseen the land acquisition,

rezoning, development and marketing of numerous manufactured home expansion projects. Mr. Shiffman is also the President and a director of Sun Home Services, Inc. ("Home Services") and all other corporate subsidiaries of the

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Company. Mr. Shiffman is the Chairman of the Board and Secretary of Bingham Financial Services Corporation (Nasdaq: BFSC) ("Bingham"), which is a specialized financial services company providing financing for manufactured homes. Bingham was initially formed as an affiliate of Sun but became publicly held in November 1997.

PAUL D. LAPIDES has been a director since December 1993. Mr. Lapides is Director of the Corporate Governance Center in the Coles College of Business at Kennesaw State University, where he is an assistant professor of management and entrepreneurship. He is the author of more than 80 articles and books on real estate and management. His real estate experience includes managing a \$3 billion national portfolio of income-producing real estate consisting of 42,000 multi-family units and 16 million square feet of commercial space.

CLUNET R. LEWIS has been a director since December 1993. For the past eight years, Mr. Lewis has served as President of CRL Enterprises, Inc. a private business consulting firm. From August 1995 until December 2000, Mr. Lewis served in various capacities, including as Secretary, General Counsel and as a member of the board of directors, of Verso Technologies, Inc. (f/k/a Eltrax Systems, Inc), an international provider of information technology services supporting internet and private network E-commerce applications.

RONALD L. PIASECKI has been a director since May 1996, upon completion of the Company's acquisition of twenty-five manufactured housing communities (the "Aspen Properties") owned by affiliates of Aspen Enterprises, Ltd. ("Aspen"). Mr. Piasecki is the executive vice president and a director of Aspen, which he co-founded in 1973. Prior to the Company's acquisition of the Aspen Properties, Aspen was one of the largest privately-held developers and owners of manufactured housing communities in the U.S. Mr. Piasecki serves as chairman of the board of directors of Kurdziel Industries, Inc., the world's largest producer of counter weights for the material handling industry, and Mr. Piasecki is a director of USOL Holdings, Inc. (Nasdaq: USOL), a provider of integrated telecommunications services.

TED J. SIMON has been a director since December 1993. Since February 1999, Mr. Simon has been a principal in Grand Sakwa Properties Inc., a commercial real estate development company located in Farmington Hills, Michigan. From 1981 until January 1999, Mr. Simon was the Vice President-Real Estate (Midwest Group) of The Great Atlantic & Pacific Tea Company, Inc. and Mr. Simon was a Vice President-Real Estate and a director of Borman's Inc., a wholly owned subsidiary of The Great Atlantic & Pacific Tea Company, Inc. Mr. Simon is also a director of Clarkston State Bank, a wholly-owned subsidiary of Clarkston Financial Corporation.

ARTHUR A. WEISS has been a director since October 1996. Since 1976, Mr. Weiss has practiced law with the law firm of Jaffe, Raitt, Heuer & Weiss, Professional Corporation ("JRH&W"), which represents the Company in various matters. Mr. Weiss is currently a shareholder, director and Vice President of JRH&W. Mr. Weiss is also a director of Bingham.

To the best of the Company's knowledge, there are no material proceedings to which any nominee is a party, or has a material interest, adverse to the Company. To the best of the Company's knowledge, there have been no events under any bankruptcy act, no criminal proceedings and no judgments or injunctions that are material to the evaluation of the ability or integrity of any nominee during the past five years.

BOARD OF DIRECTORS AND COMMITTEES

Pursuant to the terms of the Company's charter, the directors are divided into three classes. The class up for election at the Annual Meeting will hold office for a term expiring at the annual meeting of shareholders to be held

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in 2004. A second class will hold office for a term expiring at the annual meeting of shareholders to be held in 2002 and a third class will hold office for a term expiring at the annual meeting of shareholders to be held in 2003. Each director will hold office for the term to which he is elected and until his successor is duly elected and qualified. Clunet R. Lewis and Arthur A. Weiss have terms expiring at the Annual Meeting and are nominees for the class to hold office for a term expiring at

-3-

6

the annual meeting of shareholders to be held in 2004. Gary A. Shiffman and Ronald L. Piasecki have terms expiring at the annual meeting of shareholders to be held in 2002 and Ted J. Simon and Paul D. Lapidès have terms expiring at the annual meeting of shareholders to be held in 2003. At each annual meeting of the shareholders of the Company, the successors to the class of directors whose terms expire at such meeting will be elected to hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of their election.

The Board met four (4) times during 2000 and took various actions pursuant to resolutions adopted by unanimous written consent. All directors attended at least 75% of the meetings of the Board and each committee on which they served.

Several important functions of the Board may be performed by committees that are comprised of members of the Board. The Company's Bylaws authorize the formation of these committees and grant the Board the authority to prescribe the functions of each committee and the standards for membership of each committee. In addition, the Board appoints the members of each committee. The Board has four standing committees: an Audit Committee, a Compensation Committee, an Indemnification Committee and an Executive Committee.

The Audit Committee was established to: (i) annually recommend a firm of independent public accountants to the Board to act as auditors of the Company; (ii) review the scope of the annual audit with the auditors in advance of the audit; (iii) generally review the results of the audit and the adequacy of the Company's accounting, financial and operating controls; (iv) review the Company's accounting and reporting principles, policies and practices; and (v) perform such other duties as may be delegated to it by the Board or as specified in the Audit Committee's written charter adopted by the Board (set forth in Appendix A to this proxy statement). The current members of the Audit Committee are Messrs. Paul D. Lapidès, Clunet R. Lewis and Ronald L. Piasecki. The Audit Committee held one (1) formal meeting during the fiscal year ended December 31, 2000.

The Compensation Committee was established to: (i) review and modify the compensation (including salaries and bonuses) of the Company's officers as initially set by the Company's President; (ii) administer the Company's 1993 Stock Option Plan (the "Employee Option Plan"); and (iii) perform such other duties as may be delegated to it by the Board. The current members of the Compensation Committee are Messrs. Ted J. Simon and Ronald L. Piasecki. During the fiscal year ended December 31, 2000, the Compensation Committee did not hold any formal meetings but took various actions pursuant to resolutions adopted by unanimous written consent. See "Report of the Compensation Committee on Executive Compensation".

The Indemnification Committee was established to: (i) perform such duties as provided in Article XII of the Company's Bylaws; and (ii) perform such other duties as may be delegated to it by the Board. The current members of the

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Indemnification Committee are Messrs. Ted J. Simon and Clunet R. Lewis. The Indemnification Committee did not hold any formal meetings in 2000.

The Executive Committee was established to generally manage the day-to-day business and affairs of the Company between regular Board meetings. In no event may the Executive Committee, without the prior approval of the Board acting as a whole: (i) recommend to the shareholders an amendment to the Company's Charter; (ii) amend the Company's Bylaws; (iii) adopt an agreement of merger or consolidation; (iv) recommend to the shareholders the sale, lease or exchange of all or substantially all of the Company's property and assets; (v) recommend to the shareholders a dissolution of the Company or a revocation of a dissolution; (vi) fill vacancies on the Board; (vii) fix compensation of the directors for serving on the Board or on a committee of the Board; (viii) declare dividends or authorize the issuance of the Company's stock; (ix) approve or take any action with respect to any related party transaction involving the Company; or (x) take any other action which is forbidden by the Company's Bylaws. All actions taken by the Executive Committee must be promptly reported to the Board as a whole and are subject to ratification, revision and alteration by the Board, except that no rights of third persons created in reliance on authorized acts of the Executive Committee can be affected by any such revision or alteration. The current members of the Executive Committee are Messrs. Gary A. Shiffman and Ted J. Simon. The Executive Committee did not hold any formal meetings during the fiscal year ended December 31, 2000 but did take various actions pursuant to resolutions adopted by unanimous written consent.

-4-

7

The Board does not have a standing committee responsible for nominating individuals to become directors. The entire Board performs the function of such a committee.

REPORT OF THE AUDIT COMMITTEE

The Board maintains an Audit Committee comprised of three of the Company's directors. The directors who serve on the Audit Committee are all "independent" for purposes of the New York Stock Exchange listing standards. The Audit Committee held one (1) formal meeting during the 2000 fiscal year.

In accordance with its written charter adopted by the Board (set forth in Appendix A to this proxy statement), the Audit Committee assists the Board with fulfilling its oversight responsibility regarding the quality and integrity of the accounting, auditing and financial reporting practices of the Company. In discharging its oversight responsibilities regarding the audit process, the Audit Committee:

- reviewed and discussed the audited financial statements with management and PricewaterhouseCoopers LLP, the Company's independent auditors;
- discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees); and
- reviewed the written disclosures and the letter from the independent auditors required by the Independence Standards Board's Standard No. 1 (Independence Discussions with Audit Committees), and discussed with the independent auditors any relationships that may impact their objectivity and independence.

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Based upon the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, as filed with the Securities and Exchange Commission.

The Audit Committee presents the following summary of all fees incurred with PricewaterhouseCoopers LLP, the Company's independent auditors, for the fiscal year ended December 31, 2000: (a) audit fees (for professional services rendered for the audit of the Company's 2000 financial statements and the reviews of the quarterly financial statements) - \$115,900; (b) financial information systems design and implementation fees - no projects were undertaken in 2000; and (c) all other fees (consisting primarily of professional services rendered for the review of the Form S-3 and other consulting services) - \$40,900.

The Audit Committee has considered and determined that the level of fees of PricewaterhouseCoopers LLP's for provision of services other than the audit services is compatible with maintaining the auditor's independence. The Audit Committee has also approved the selection of PricewaterhouseCoopers LLP as the Company's independent auditor for the year ending December 31, 2001.

Respectfully Submitted,
Members of the Audit Committee:
Paul D. Lapidès
Clunet R. Lewis
Ronald L. Piasecki

-5-

8

MANAGEMENT AND COMPENSATION

EXECUTIVE OFFICERS

The persons listed below are the current executive officers of the Company. Each is annually appointed by, and serves at the pleasure of, the Board.

NAME ----	AGE ---	OFFICE -----
Gary A. Shiffman.....	46	Chairman, Chief Executive Officer and President
Jeffrey P. Jorissen.....	56	Senior Vice President, Treasurer, Chief Financial Officer and Secretary
Brian W. Fannon.....	52	Senior Vice President and Chief Operating Officer
Jonathan M. Colman.....	45	Senior Vice President - Acquisition

Background information for Gary A. Shiffman is provided under "Election of Directors," above. Background information for the other three executive officers is set forth below.

JEFFREY P. JORISSEN has been Chief Financial Officer and Secretary since August 1993, and Senior Vice President and Treasurer since December 1993. As a certified public accountant, he was with the international accounting firm

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of Coopers & Lybrand for sixteen years, including eight years as a partner. During his tenure at Coopers & Lybrand, Mr. Jorissen specialized in real estate and directed financial statement examinations of numerous public companies. Mr. Jorissen is also the Chief Financial Officer and Secretary of Home Services and all other corporate subsidiaries of the Company.

BRIAN W. FANNON joined the Company in May 1994 as Senior Vice President-Operations and became Chief Operating Officer in 1995. Prior to joining the Company, he worked for Lautrec, Ltd., then the largest manufactured housing community owner-operator in the United States, where he was responsible for operations comprising 25,000 sites and 300 employees, and Quality Homes, Inc., its sales and marketing division. He joined that organization in 1978 as a regional manager and became President in 1986. Mr. Fannon was appointed by Governor Milliken to the Michigan Mobile Home Commission in 1977, the year of its inception. Subsequent appointments by Governors Blanchard and Engler have enabled Mr. Fannon to serve on such commission, including serving as its chairman from 1986 to 1994, and Mr. Fannon has again been serving as the chairman of the Michigan Mobile Home Commission since 1998. Mr. Fannon is also the Chief Executive Officer of Home Services and a Vice President of all other corporate subsidiaries of the Company.

JONATHAN M. COLMAN joined the Company in 1994 as Vice President-Acquisitions and became a Senior Vice President in 1995. A certified public accountant, Mr. Colman has over seventeen years of experience in the manufactured housing community industry. He has been involved in the acquisition, financing and management of over 75 manufactured housing communities for two of the 10 largest manufactured housing community owners, including Uniprop, Inc. during its syndication of over \$90 million in public limited partnerships in the late 1980s. Mr. Colman is also a Vice President of all corporate subsidiaries of the Company.

To the best of the Company's knowledge, there have been no events under any bankruptcy act, no criminal proceedings and no judgments or injunctions that are material to the evaluation of the ability or integrity of any executive officer during the past five years.

EXECUTIVE COMPENSATION

The following table sets forth all compensation paid to the Chief Executive Officer and each executive officer whose remuneration from the Company exceeded \$100,000 during the fiscal year ended December 31, 2000.

-6-

9

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION			S
		SALARY (\$)	BONUS (\$)	OPTIONS (#)	
Gary A. Shiffman,	2000	\$373,400	0	0	

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Chairman, Chief Executive Officer and President.....	1999	\$355,666	\$175,000	25,000
	1998	\$350,000	\$175,000	25,000
Jeffrey P. Jorissen, Senior Vice President, Treasurer, Chief Financial Officer and Secretary.....	2000	\$252,000	0	0
	1999	\$240,000	\$120,000	10,000
	1998	\$199,500	\$ 99,750	20,000
Brian W. Fannon, Senior Vice President and Chief Operating Officer.....	2000	\$341,250	0	0
	1999	\$325,000	\$162,500	0
	1998	\$210,000	\$170,000	5,000
Jonathan M. Colman, Senior Vice President-Acquisitions.....	2000	\$136,500	0	0
	1999	\$130,000	\$ 30,000	5,000
	1998	\$122,000	\$ 40,000	7,500

- (1) On June 5, 1998, the Company granted Mr. Shiffman 75,000 shares of Common Stock, which are subject to the terms and conditions of a Restricted Stock Award Agreement. 10% of these restricted shares vest on each January 31 of the years 2002 through 2007 and the remaining 40% of these shares vest on January 31, 2008. As of December 29, 2000, the value of such restricted shares (as determined in accordance with the rules promulgated by the Securities and Exchange Commission) was \$2,512,500. Mr. Shiffman receives any dividends paid on such restricted shares.
- (2) Dividend distribution from Sun Home Services, Inc.
- (3) On June 5, 1998, the Company granted Mr. Jorissen 50,000 shares of Common Stock, which are subject to the terms and conditions of a Restricted Stock Award Agreement. 10% of these restricted shares vest on each January 31 of the years 2002 through 2007 and the remaining 40% of these shares vest on January 31, 2008. As of December 29, 2000, the value of such restricted shares (as determined in accordance with the rules promulgated by the Securities and Exchange Commission) was \$1,675,000. Mr. Jorissen receives any dividends paid on such restricted shares.
- (4) On June 5, 1998, the Company granted Mr. Fannon 25,000 shares of Common Stock, which are subject to the terms and conditions of a Restricted Stock Award Agreement. 10% of these restricted shares vest on each January 31 of the years 2002 through 2007 and the remaining 40% of these shares vest on January 31, 2008. As of December 29, 2000, the value of such restricted shares (as determined in accordance with the rules promulgated by the Securities and Exchange Commission) was \$837,500. Mr. Fannon receives any dividends paid on such restricted shares.
- (5) On June 5, 1998, the Company granted Mr. Colman 15,000 shares of Common Stock, which are subject to the terms and conditions of a Restricted Stock Award Agreement. 10% of these

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restricted shares vest on each January 31 of the years 2002 through 2007 and the remaining 40% of these shares vest on January 31, 2008. As of December 29, 2000, the value of such restricted shares (as determined in accordance with the rules promulgated by the Securities and Exchange Commission) was \$502,500. Mr. Colman receives any dividends paid on such restricted shares.

AGGREGATED OPTION/SAR EXERCISES AND FISCAL YEAR-END OPTION/SAR VALUES TABLE

			NO. OF UNEXERCISED OPTIONS/SARS AT FISCAL YEAR-END	
NAME	SHARES ACQUIRED ON EXERCISE IN 2000	VALUE RECEIVED	EXERCISABLE	NOT EXERCISABLE
Gary A. Shiffman(2)	0	N/A	391,667	8,333
Jeffrey P. Jorissen(3)	0	N/A	119,167	3,333
Brian W. Fannon(4)	0	N/A	35,000	--
Jonathan M. Colman(5)	0	N/A	43,334	1,666

- (1) Assumes a value equal to the difference between the closing sales price on December 29, 2000, which was \$33.50 per share, and the exercise price of in-the-money options.
- (2) Includes: (a) 50,000 stock options granted December 21, 1993 pursuant to the Employee Option Plan with an exercise price of \$20.00 per share, which options must be exercised by December 21, 2003; (b) 25,000 stock options granted March 11, 1996 pursuant to the Employee Option Plan with an exercise price of \$26.625 per share, which options must be exercised by March 11, 2006; (c) 275,000 stock options granted October 28, 1996 pursuant to the Employee Option Plan with an exercise price of \$28.6375 per share, which options must be exercised by October 28, 2006; (d) 25,000 stock options granted January 14, 1998 pursuant to the Employee Option Plan with an exercise price of \$33.75 per share, which options must be exercised by January 14, 2008; and (e) 25,000 stock options granted December 15, 1999 pursuant to the Employee Option Plan with an exercise price of \$30.03 per share, which options must be exercised by December 15, 2009.
- (3) Includes: (a) 20,000 stock options granted December 1, 1993 pursuant to the Employee Option Plan with an exercise price of \$20.00 per share, which options must be exercised by December 1, 2003; (b) 35,000 stock options granted May 23, 1995 pursuant to the Employee Option Plan with an exercise price of \$22.00 per share, which options must be exercised by May 23, 2005; (c) 15,000 stock options granted February 26, 1996 pursuant to the Employee Option Plan with an exercise price of \$27.00

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per share, which options must be exercised by February 26, 2006; (d) 22,500 stock options granted October 28, 1996 pursuant to the Employee Option Plan with an exercise price of \$28.6375 per share, which options must be exercised by October 28, 2006; (e) 20,000 stock options granted January 14, 1998 pursuant to the Employee Option Plan with an exercise price of \$33.75 per share, which options must be exercised by January 14, 2008; and (f) 10,000 stock options granted December 15, 1999 pursuant to the Employee Option Plan with an exercise price of \$30.03 per share, which options must be exercised by December 15, 2009.

- (4) Includes: (a) 15,000 stock options granted July 18, 1994 pursuant to the Employee Option Plan with an exercise price of \$22.50 per share, which options must be exercised by July 18, 2004; (b) 10,000 stock options granted February 26, 1996 pursuant to the Employee Option Plan with an exercise price of \$27.00 per share, which options must be exercised by February 26, 2006; (c) 5,000 stock options granted October 28, 1996 pursuant to the Employee Option Plan with an exercise price of \$28.6375 per share, which options must be exercised by October 28, 2006; and

-8-

11

(d) 5,000 stock options granted January 14, 1998 pursuant to the Employee Option Plan with an exercise price of \$33.75 per share, which options must be exercised by January 14, 2008.

- (5) Includes: (a) 20,000 stock options granted July 18, 1994 pursuant to the Employee Option Plan with an exercise price of \$22.50 per share, which options must be exercised by July 18, 2004; (b) 7,500 stock options granted February 26, 1996 pursuant to the Employee Option Plan with an exercise price of \$27.00 per share, which options must be exercised by February 26, 2006; (c) 5,000 stock options granted October 28, 1996 pursuant to the Employee Option Plan with an exercise price of \$28.6375 per share, which options must be exercised by October 28, 2006; (d) 7,500 stock options granted January 14, 1998 pursuant to the Employee Option Plan with an exercise price of \$33.75 per share, which options must be exercised by January 14, 2008; (e) 5,000 stock options granted December 15, 1999 pursuant to the Employee Option Plan with an exercise price of \$30.03 per share, which options must be exercised by December 15, 2009.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

Policy of Executive Officer Compensation

The executive compensation program is administered by the Compensation Committee of the Board (the "Committee") which is comprised of Non-Employee Directors, Messrs. Ted J. Simon and Ronald L. Piasecki. The program supports the Company's commitment to providing superior shareholder value. It is designed to attract and retain high-quality executives, to encourage them to make career commitments to the Company, and to accomplish the Company's short and long term objectives. The Committee attempts to structure a compensation program for the Company that will reward its top executives with bonuses and stock and option awards upon attainment of specified goals and objectives while striving to maintain salaries at reasonably competitive levels. The Committee reviews the compensation (including salaries, bonuses and stock options) of the Company's officers and performs such other duties as may be delegated to it by the Board. The Committee did not hold any formal meetings during the fiscal year ended December 31, 2000 but took various actions pursuant to resolutions adopted by unanimous written consent.

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In reviewing the compensation to be paid to the Company's executive officers during the fiscal year ended December 31, 2000, the Committee sought to ensure that executive officers were rewarded for long term strategic management, for increasing the Company's value for its shareholders, and for achieving internal goals established by the Board.

The key components of executive officer compensation are salary, bonuses, restricted stock awards and stock option awards. Salary is generally based on factors such as an individual officer's level of responsibility, prior years' compensation, comparison to compensation of other officers in the Company, and compensation provided at competitive companies and companies of similar size. Bonuses, restricted stock awards and stock option awards are intended to reward exceptional performances. Benchmarks for determining base salary and bonus levels include targeted funds from operations levels, strength of the balance sheet and creation of shareholder value. Restricted stock awards and stock option awards are also intended to increase an officer's interest in the Company's long-term success as measured by the market and book value of its Common Stock. Stock awards may be granted to officers and directors of the Company and its subsidiaries and to certain employees who have managerial or supervisory responsibilities under the Employee Option Plan. Stock awards may be stock options, stock appreciation rights, restricted share rights or any variation thereof.

CEO Compensation

During the fiscal year ended December 31, 2000, Gary A. Shiffman served in the capacity of Chief Executive Officer of the Company. Under Mr. Shiffman's leadership, the Company's funds from operations increased by more than 6% in 2000 as compared to 1999, and the Company continued its growth by acquiring an additional three manufactured housing communities in 2000. See "Shareholder Return Performance Presentation."

As of December 31, 1996, the Company entered into an employment agreement with Mr. Shiffman which governed the salary and bonus paid to Mr. Shiffman during the fiscal year ended December 31, 2000. Pursuant to this employment agreement, Mr. Shiffman was paid a salary of

-9-

12

\$373,400. Based upon market studies of pay levels for chief executive officers of publicly traded REITs (conducted by the National Association of Real Estate Investment Trusts), the Committee believes that Mr. Shiffman's total compensation in 2000 was competitive with the appropriate level for his position, particularly in view of his performance. See "Certain Transactions."

Respectfully submitted,
Members of the Compensation Committee:
Ted J. Simon
Ronald L. Piasecki

EMPLOYMENT AGREEMENTS

Gary A. Shiffman

The Company has entered into an employment agreement with Gary A. Shiffman pursuant to which Mr. Shiffman serves as Chief Executive Officer and President of the Company. Mr. Shiffman's employment agreement is for an initial

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term of five years ending December 31, 2001. Pursuant to his employment agreement, Mr. Shiffman is paid an annual base salary of \$350,000, which will be increased by an annual cost of living adjustment beginning with calendar year 1999. In addition to his base salary and in accordance with the terms of his employment agreement, Mr. Shiffman is entitled to incentive compensation of up to 50% of his then base salary in accordance with the incentive compensation formula set forth in the employment agreement. A copy of Mr. Shiffman's employment agreement is attached as an exhibit to the Company's periodic filings under the Exchange Act.

The non-competition clauses of Mr. Shiffman's employment agreement preclude him from engaging, directly or indirectly: (a) in the real estate business or any ancillary business of the Company during the period he is employed by the Company; and (b) in the manufactured housing community business or any ancillary business of the Company for a period of eighteen months following the period he is employed by the Company. However, Mr. Shiffman's employment agreement does allow him to make passive investments relating to real estate in general or the housing industry in particular (other than in manufactured housing communities) during the period he is employed by the Company.

Jeffrey P. Jorissen

The Company has entered into an employment agreement with Jeffrey P. Jorissen pursuant to which Mr. Jorissen serves as Senior Vice President, Chief Financial Officer, Treasurer and Secretary of the Company. Mr. Jorissen's employment agreement is for an initial term of five years ending December 31, 2003. Pursuant to his employment agreement, Mr. Jorissen must devote his entire productive time, ability and attention to the Company and, in consideration for his services, Mr. Jorissen will be paid an annual base salary of \$240,000, which will be increased by an annual cost of living adjustment beginning with calendar year 2000. In addition to this base salary, Mr. Jorissen is entitled to incentive compensation of up to 50% of his then base salary in accordance with the incentive compensation formula set forth in the employment agreement. A copy of Mr. Jorissen's employment agreement is attached as an exhibit to the Company's periodic filings under the Exchange Act.

The non-competition clauses of Mr. Jorissen's employment agreement preclude him from engaging, directly or indirectly, in the real estate business or any ancillary business of the Company during the period he is employed by the Company and for a period of eighteen months thereafter.

Brian W. Fannon

The Company has entered into an employment agreement with Brian W. Fannon pursuant to which Mr. Fannon serves as Chief Operating Officer of the Company and Sun Home Services, Inc. has entered into an employment agreement with Brian W. Fannon pursuant to which Mr. Fannon serves as Chief Executive Officer of Home Services. Each of Mr. Fannon's employment agreements is for an initial term of three years ending December 31, 2001. Pursuant to his employment agreements, Mr. Fannon must devote his entire productive time, ability and attention to the Company and Home Services. In consideration for his services, Mr. Fannon will be paid an annual base salary of \$100,000 from the Company and Mr. Fannon will be paid an annual base salary of \$225,000 from Home Services, each of which will be increased by 5% per year beginning with calendar year 2000. In addition to this base

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salary, Mr. Fannon may be entitled to incentive compensation of up to 50% of his then base salary in accordance with an executive bonus plan to be established by the Company. Copies of Mr. Fannon's employment agreements are attached as exhibits to the Company's periodic filings under the Exchange Act.

The non-competition clauses of Mr. Fannon's employment agreements preclude him from engaging, directly or indirectly, in the real estate business or any ancillary business of the Company during the period he is employed by the Company and for a period of twelve months thereafter.

OUTSIDE DIRECTOR COMPENSATION

Directors who are not employees of the Company are entitled to an annual retainer fee of \$12,000, payable \$3,000 per calendar quarter, plus a \$1,000 fee for each quarterly meeting of the Board. For services during the fiscal year ended December 31, 2000, Ted J. Simon, Paul D. Lapidès, Clunet R. Lewis and Ronald L. Piasecki each earned directors' fees of \$15,000. Although Arthur A. Weiss earned director's fees of \$15,000 for services during the fiscal year ended December 31, 2000, he declined such fees.

-11-

14

SHAREHOLDER RETURN PERFORMANCE PRESENTATION

Set forth below is a line graph comparing the yearly percentage change in the cumulative total shareholder return on the Common Stock against the cumulative total return of a broad market index composed of all issuers listed on the New York Stock Exchange and an industry index comprised of thirty-three (33) publicly traded real estate investment trusts, for the five (5) year period ending on December 31, 2000. This line graph assumes a \$100 investment on December 31, 1995, a reinvestment of dividends and actual increase of the market value of the Company's Common Stock relative to an initial investment of \$100. The comparisons in this table are required by the SEC and are not intended to forecast or be indicative of possible future performance of the Company's Common Stock.

[LINE GRAPH]

FISCAL YEAR ENDING:	1995	1996	1997	1998	1999
	-----	-----	-----	-----	-----
SUN COMMUNITIES	100.00	139.85	153.97	159.99	155.00
REIT INDUSTRY INDEX	100.00	131.78	147.93	128.39	141.36
NYSE MARKET INDEX	100.00	120.46	158.48	188.58	206.49

-12-

15

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SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors, executive officers and beneficial owners of more than 10% of the Company's capital stock to file reports of ownership and changes of ownership with the SEC and the New York Stock Exchange. Based solely on its review of the copies of such reports received by it, and written representations from certain reporting persons, the Company believes, that during the year ended December 31, 2000, its directors, executive officers and beneficial owners of more than 10% of the Company's Common Stock have complied with all filing requirements applicable to them.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 29, 2001, the shareholdings of: (a) each person known to the Company to be the beneficial owner of more than five percent (5%) of the Common Stock; (b) each director of the Company; (c) each executive officer listed in the Summary Compensation Table; and (d) all executive officers and directors of the Company as a group, based upon information available to the Company.

NAME AND ADDRESS OF BENEFICIAL OWNER -----	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP -----	PERC OUTSTANDI -----
Gary A. Shiffman 31700 Middlebelt Road Suite 145 Farmington Hills, Michigan 48334	1,385,524 (2)	7
Jeffrey P. Jorissen 31700 Middlebelt Road Suite 145 Farmington Hills, Michigan 48334	288,296 (3)	1
Brian W. Fannon 31700 Middlebelt Road Suite 145 Farmington Hills, Michigan 48334	96,528 (4)	
Jonathan M. Colman 31700 Middlebelt Road Suite 145 Farmington Hills, Michigan 48334	70,834 (5)	
Ted J. Simon 32000 Northwestern Highway Farmington Hills, Michigan 48334	13,499 (6)	
Paul D. Lapidès 1000 Chastain Road Kennesaw, Georgia 30144	13,999 (7)	
Clunet R. Lewis 2000 Town Center	49,999 (8)	

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Southfield, Michigan 48075

-13-

16

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENTAGE OF OUTSTANDING
Ronald L. Piasecki 4927 Stariha Drive Muskegon, Michigan 49441	61,374 (9)	
Arthur A. Weiss One Woodward Avenue Suite 2400 Detroit, Michigan 48226	830,134 (10)	4
LaSalle Investment Management, Inc. (11) 200 East Randolph Drive Chicago, Illinois 60601	1,453,366	8
European Investors Inc. (12) 667 Madison Avenue New York, New York 10021	2,144,872	12
FMR Corp. (13) 82 Devonshire Street Boston, MA 02109	1,514,000	8
Wellington Management Company, LLP (14) 75 State Street Boston, MA 02109	1,528,000	8
All current executive officers and directors as a group (9 persons)	2,810,187 (15)	14

* Less than one percent (1%) of the outstanding shares.

- (1) In accordance with SEC regulations, the percentage calculations are based on 17,607,511 shares of Common Stock issued and outstanding as of March 29, 2001 plus shares of Common Stock which may be acquired pursuant to options exercisable, or limited partnership interests in the Operating Partnership ("Common OP Units") that are convertible into Common Stock, within sixty days of March 29, 2000 by each individual or group listed.
- (2) Includes 329,617 Common OP Units convertible into shares of Common Stock and 391,667 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001. Mr. Shiffman disclaims beneficial ownership of 3,000 Common OP Units convertible into shares of Common Stock held by other family members.
- (3) Includes 100,000 Common OP Units convertible into shares of Common

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Stock and 119,167 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001. Mr. Jorissen disclaims beneficial ownership of 5,316 shares of Common Stock held by other family members.

- (4) Includes 30,000 Common OP Units convertible into shares of Common Stock and 35,000 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001.
- (5) Includes 7,500 Common OP Units convertible into shares of Common Stock and 43,334 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001. Mr. Colman disclaims beneficial ownership of 500 shares of Common Stock held by other family members.
- (6) Includes 10,999 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001.

-14-

17

- (7) Includes 10,499 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001. Includes 2,700 shares of Common Stock held by a corporation in which Mr. Lapidès owns a 33% equity interest. Mr. Lapidès disclaims beneficial ownership of these 2,700 shares except to the extent of his proportionate pecuniary interest therein.
- (8) Includes 20,000 Common OP Units convertible into shares of Common Stock and 9,999 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001.
- (9) Includes 17,000 Common OP Units convertible into shares of Common Stock and 9,499 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001. Includes 13,889 Common OP Units convertible into shares of Common Stock held by Aspen Group, a Michigan co-partnership, which are attributable to Mr. Piasecki because of his 25% general partnership interest in Aspen Group. Includes 20,986 Common OP Units convertible into shares of Common Stock held by Aspen Group-KC, a Michigan co-partnership, which are attributable to Mr. Piasecki because of his 25% general partnership interest in Aspen Group-KC.
- (10) Includes 30,000 Common OP Units convertible into shares of Common Stock and 9,499 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001. Includes (a) 311,794 Common OP Units convertible into shares of Common Stock and 453,841 shares of Common Stock held by the Estate of Milton M. Shiffman for which Mr. Weiss is a Co-Personal Representative, and (b) 25,000 shares of Common Stock held by the 1997 Shiffman Charitable Remainder Unitrust for which Mr. Weiss is a Co-Trustee. Mr. Weiss does not have a pecuniary interest in either the Estate of Milton M. Shiffman or the 1997 Shiffman Charitable Remainder Unitrust and, accordingly, Mr. Weiss disclaims beneficial ownership of the 311,794 Common OP Units and 453,841 shares of Common Stock held by the Estate of Milton M. Shiffman and the 25,000 shares of Common Stock held by the 1997 Shiffman Charitable Remainder Unitrust.
- (11) According to the Schedule 13G filed with the SEC for calendar year 2000, LaSalle Investment Management, Inc. ("LaSalle") beneficially owns 369,732 shares of Common Stock and LaSalle Investment Management (Securities), L.P. ("LIMS") beneficially owns 1,083,634 shares of

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Common Stock. LIMS is a Maryland limited partnership, the limited partner of which is LaSalle and the general partner of which is LaSalle Investment Management (Securities), Inc., a Maryland corporation, the sole stockholder of which is LaSalle. LaSalle and LIMS, each registered investment advisors, have different advisory clients.

- (12) According to the Schedule 13G filed with the SEC for calendar year 2000, European Investors Inc. beneficially owns 515,472 shares of Common Stock and EII Realty Securities Inc., a wholly-owned subsidiary of European Investors Inc., beneficially owns 1,629,400 shares of Common Stock.
- (13) According to the Schedule 13G filed with the SEC for calendar year 2000, (a) Fidelity Management & Research Company, a wholly-owned subsidiary of FMR Corp. and an investment advisor, is the beneficial owner of 575,500 shares of Common Stock as a result of acting as investment advisor to various investment companies, and (b) Fidelity Management Trust Company, a wholly-owned subsidiary of FMR Corp. and a bank, is the beneficial owner of 938,500 shares of Common Stock as a result of its serving as investment manager of the institutional account(s).
- (14) According to the Schedule 13G filed with the SEC for calendar year 2000, Wellington Management Company, LLP, in its capacity as investment advisor, beneficially owns 1,528,000 shares of Common Stock which are held of record by clients of Wellington Management Company, LLP.

-15-

18

- (15) Includes 845,911 Common OP Units convertible into shares of Common Stock and 639,663 shares of Common Stock which may be acquired pursuant to options exercisable within sixty days of March 29, 2001.

CERTAIN TRANSACTIONS

During 2000, the law firm of Jaffe, Raitt, Heuer & Weiss, P.C. acted as general counsel to the Company and represented the Company in various matters. Arthur A. Weiss, a director of the Company, is a shareholder of such firm.

On December 15, 1998, certain directors, employees and consultants of the Company purchased approximately \$25.5 million of newly issued shares of common stock of the Company and common OP Units in Sun Communities Operating Limited Partnership at a price of \$31.75 per share/OP Unit in accordance with the Company's 1998 Stock Purchase Plan (the "Purchase Plan"). These purchases were financed by 5-year personal loans from Bank One Corporation, as agent, and participants in the Purchase Plan are personally responsible for repayment of their respective loans. In order to facilitate purchases under the Purchase Plan, the Company guaranteed repayment of all of the loans and the participants have agreed to fully indemnify the Company against all liabilities arising under such guaranty. The following executive officers and/or directors of the Company purchased the following number of OP Units under the Purchase Plan: Jonathan M. Colman (7,500 OP Units), Brian W. Fannon (30,000 OP Units), Jeffrey P. Jorissen (100,000 OP Units), Clunet R. Lewis (20,000 OP Units), Ronald L. Piasecki (17,000 OP Units), Gary A. Shiffman (170,000 OP Units) and Arthur A. Weiss (50,000 OP Units).

In 1995, the Company issued Mr. Gary A. Shiffman, the Company's Chief Executive Officer and President, 400,000 shares of Common Stock for \$8,650,000 (the "Purchase Price"). The Purchase Price is evidenced by three (3) separate

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10-year promissory notes that bear interest at a rate equal to six months' LIBOR plus 175 basis points, with a maximum interest rate of 9% per annum and a minimum interest rate of 6% per annum (the "Promissory Notes"). Two of the Promissory Notes are secured by shares of Common Stock (the "Secured Shares") and/or OP Units (the "Secured Units") and the last Promissory Note is unsecured but fully recourse to Mr. Shiffman. Mr. Shiffman's personal liability on the secured Promissory Notes is limited to all accrued interest on such notes plus fifty percent (50%) of the deficiency, if any, after application of the proceeds from the sale of the Secured Shares and/or the Secured Units to the then outstanding principal balance of the Promissory Notes. The Promissory Notes provide for quarterly interest only payments and provide that all cash distributions and dividends paid to Mr. Gary Shiffman on the Secured Shares and the Secured Units (the "Distributions") will first be applied toward the accrued and unpaid interest under the Promissory Notes and sixty percent (60%) of the remainder of the Distributions, if any, will be applied toward the outstanding principal balance of the Promissory Notes.

In April 1997, the Operating Partnership loaned Mr. Shiffman an additional \$2,600,391 on terms substantially identical to the terms of the other loan to Mr. Shiffman, as described above, and such loan is secured by 80,000 shares of Common Stock (the promissory notes evidencing this loan, together with the Promissory Notes, are hereinafter referred to as the "Shiffman Notes"). The largest aggregate indebtedness outstanding under the Shiffman Notes since January 1, 2000 was \$11,369,332. As of March 31, 2001, the amount outstanding under the Shiffman Notes was approximately \$11,010,875. Copies of the Shiffman Notes have been filed as exhibits to the Company's periodic filings under the Exchange Act.

On April 8, 1996, the Company completed a \$122.8 million public offering of 4.7 million shares of its Common Stock (the "Equity Offering"). Jeffrey P. Jorissen, the Company's Senior Vice President, Treasurer, Chief Financial Officer and Secretary, Brian W. Fannon, the Company's Senior Vice President and Chief Operating Officer, and Jonathan M. Colman, the Company's Senior Vice President - Acquisitions, collectively, purchased 20,000 shares of Common Stock in the Equity Offering at the public offering price of \$26.125 per share. Such purchases in the Equity Offering were financed with loans from the Operating Partnership on terms substantially identical to the terms of the Operating Partnership's loan to Mr. Gary Shiffman described above. Mr. Fannon has repaid, in full, his loan from the Operating Partnership. The largest aggregate indebtedness outstanding under Mr. Jorissen's promissory notes to the Operating Partnership and Mr. Colman's promissory notes to the Operating Partnership since January 1, 2000 were \$266,439 and \$107,235, respectively. As of March 31, 2001, the total amounts outstanding under Mr. Jorissen's promissory notes to the Operating Partnership and Mr.

-16-

19

Colman's promissory notes to the Operating Partnership were approximately \$266,732 and \$106,693, respectively.

Certain officers and directors of the Company are also officers and/or directors of Bingham: Gary A. Shiffman is a director and officer of Bingham, and Arthur A. Weiss is a director of Bingham. The Company provides financing to Bingham through three separate facilities: a \$4.0 million subordinated term loan, bearing interest at the rate of 9.75% per annum (the "Term Loan"), a \$10.0 million subordinated demand line of credit, bearing interest at a rate of 235 basis points over LIBOR (the "\$10 Million Line"); and a \$50.0 million subordinated demand line of credit, bearing interest at a rate of 235 basis points over LIBOR (the "\$50 Million Line" and, together with the Term Loan and

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the \$10 Million Line, the "Subordinated Debt Facilities"). The Term Loan matures on September 30, 2004 and, at anytime after September 30, 2000, the Term Loan may be paid in full or in part without payment of any prepayment fee or penalty. The entire unpaid principal balance of each of the \$10 Million Line and the \$50 Million Line, together with all accrued and unpaid interest, will be due and payable in full within ten days after the date of demand. The Company, in its sole discretion, may refuse to make advances under the \$50 Million Line. As of December 31, 2000, there was \$4.0 million outstanding under the Term Loan, no borrowings under the \$10 Million Line and \$35.8 million outstanding under the \$50 Million Line. The Company has a subordinated security interest in substantially all of the assets of Bingham to secure the Subordinated Debt Facilities.

In connection with the Subordinated Debt Facilities, Bingham issued warrants to the Company to purchase up to 400,000 shares of Bingham common stock at its initial public offering price of \$10 per share. In addition, Bingham granted the Company options to purchase 330,000 shares of Bingham common stock, which options vest in eight equal annual amounts beginning in January 2001. The Company also entered into an arrangement with Bingham whereby the Company offers Bingham as a preferred financing source to home purchasers and home owners in the Company's manufactured housing communities. This arrangement was modified in April 1999 to provide that the Company shall receive a fee of 1% of the loans originated in the Company's manufactured home communities rather than their original arrangement which was to receive an annual fee based on average loan balances. In connection with this arrangement, the Company received \$43,901 for the year ended December 31, 2000.

GENERAL INFORMATION

INDEPENDENT PUBLIC ACCOUNTANTS

The Board selected PricewaterhouseCoopers LLP as the Company's independent public accountants for the fiscal year ended December 31, 2000. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting, and will have the opportunity to make a statement if they desire to do so and to respond to appropriate questions. It is expected that PricewaterhouseCoopers LLP will also serve the Company in the same capacity during the fiscal year ending December 31, 2001.

SHAREHOLDERS' PROPOSALS

Any and all shareholder proposals for inclusion in the proxy materials for the Company's next Annual Meeting of Shareholders must comply with the rules and regulations promulgated under the Exchange Act and must be received by the Company, at its offices at 31700 Middlebelt Road, Suite 145, Farmington Hills, Michigan 48334, not later than December 11, 2001. Such proposals should be addressed to the Company's Secretary.

The Company's Bylaws also contain certain provisions which affect shareholder proposals. The Company's Bylaws provide that: (a) with respect to an annual meeting of shareholders, nominations of persons for election to the Board of Directors and the proposal of business to be considered by shareholders may be made only (i) pursuant to the Company's notice of the meeting, (ii) by the Board of Directors, or (iii) by a shareholder who is entitled to vote at the meeting and has complied with the advance notice procedures set forth in the Bylaws; and (b) with respect to special meetings of shareholders, only the business specified in the Company's notice of meeting may be brought before the

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meeting of shareholders, and nominations of persons for election to the Board of Directors may be made only (i) by the Board of Directors, or (ii) provided that the Board of Directors has determined that directors shall be elected at such meeting, by a shareholder who is entitled to vote at the meeting and has complied with the advance notice provisions set forth in the Bylaws.

OTHER MATTERS

Management knows of no matters which will be presented for consideration at the Annual Meeting other than those stated in the Notice of Meeting. However, if any other matters do properly come before the Annual Meeting, the person or persons named in the accompanying proxy form will vote the proxy in accordance with their best judgment regarding such matters, including the election of a director or directors other than those named in this Proxy Statement should an emergency or unexpected occurrence make the use of such discretionary authority necessary, and also regarding matters incident to the conduct of the meeting.

Shareholders are requested to date, sign and return the enclosed proxy in the enclosed postage-paid envelope. So that the presence, in person or by proxy, of the holders of a majority of the shares entitled to vote at the meeting may be assured, prompt execution and return of the proxy is requested.

By Order of the Board of Directors

JEFFREY P. JORISSEN
Secretary

Dated: April 9, 2001

-18-

21

APPENDIX A

AUDIT COMMITTEE CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF SUN COMMUNITIES, INC.

MARCH 2001

PURPOSE

1.1 The Audit Committee is appointed by the Board of Directors of the Company to assist the Board in fulfilling its oversight responsibilities.

1.2 The Committee's primary audit committee duties and responsibilities are to assist the Board with respect to:

- The adequacy of the Company's internal controls and financial reporting process and the reliability of the Company's financial reports to the public.
- The independence and performance of the Company's internal auditors and external independent auditor ("Independent Auditor").
- The Company's compliance with legal and regulatory requirements.

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1.3 The Committee shall have the authority, in its discretion, to conduct investigations and retain, at the Company's expense, special legal, accounting or other consultants or experts to advise the Committee.

MEMBERSHIP

2.1 The Committee shall be comprised of not fewer than three members of the Board.

2.2 All members of the Committee shall meet the independence requirements of the New York Stock Exchange as interpreted by the Board in its business judgment.

2.3 Each Committee member shall be financially literate as such qualification is interpreted by the Board in its business judgment, or shall become financially literate within a reasonable period of time after appointment to the Committee.

2.4 At least one member of the Committee shall have accounting or related financial management expertise as the Board interprets such qualification in its business judgment.

COMMITTEE MEETINGS

3.1 The Committee shall hold at least three meetings each fiscal year, and at any additional time as either the Board or Committee deems necessary.

3.2 The Committee may request that members of management and/or the Company's Independent Auditor be present as needed.

3.3 Annually, the Committee shall meet, in separate private sessions, with each of (i) the Company's chief financial officer, (ii) the Company's senior internal auditing executive, and (iii) the Independent Auditor.

3.4 Minutes of each meeting will be kept and distributed to the entire Board.

A-1

22

GENERAL PRINCIPLES AS TO INDEPENDENT AUDITOR

4.1 The Committee adopts the following principles with respect to the Company's Independent Auditor:

a. The Committee shall recommend to the Board the appointment of the Independent Auditor which is ultimately accountable to the Board and Committee.

b. The Committee shall evaluate the performance of the Independent Auditor and, if so determined by the Committee, recommend that the Board replace the Independent Auditor. The Committee and the Board have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the Company's Independent Auditor.

c. The Committee shall review and approve the fees to be paid to the Independent Auditor.

d. If the Company's Independent Auditor identifies a

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significant problem which is not being adequately addressed by management, it should be communicated to the Committee.

4.2 The Committee shall undertake the following with respect to the Independent Auditor's independence:

a. Ensure that the Independent Auditor submits annually a formal written statement including the written disclosures required by Independence Standards Board Standard No. 1 delineating all relationships between the Independent Auditor and the Company.

b. Actively engage in a dialogue with the Independent Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the Independent Auditor.

c. Recommend, if determined by the Committee to be called for, that the Board take appropriate action in response to the Independent Auditor's report to satisfy itself of the Independent Auditor's independence.

PRIMARY RESPONSIBILITIES - AUDIT

AUDITS

5.1 The Committee shall review and discuss with management the audited financial statements of the Company and the results of the year-end audit by the Company's Independent Auditor and internal auditing.

5.2 The Committee shall discuss with the Independent Auditor the matters the Independent Auditor determines are required to be discussed by Statement on Auditing Standards No. 61.

5.3 Based on the review and discussions with management and the Independent Auditor referred to in paragraphs 4.2, 5.1 and 5.2 above, the Committee will advise the Board of Directors whether it recommends that the audited financial statements be included in the Company's annual report on Form 10-K (or incorporated from the Annual Report to Stockholders).

5.4 The Committee or the Chairman of the Committee shall discuss with management and the Company's Independent Auditor the matters the Independent Auditor determines are required to be discussed by Statement on Auditing Standards No. 71 regarding the interim quarterly financial statements prior to filing the Form 10-Q with the Securities and Exchange Commission.

INTERNAL CONTROLS

5.5 The Committee shall discuss with management and the Independent Auditor:

a. The adequacy of the Company's internal accounting controls and the financial reporting process.

b. The status of internal control recommendations made by the Independent Auditor and internal auditing.

5.6 The Committee shall periodically receive reports from and discuss with the Company's outside legal counsel the adequacy of the policies and practices of the Company related to compliance with key regulatory requirements,

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conflicts of interest and ethical conduct.

OTHER

5.7 The Committee shall periodically receive reports from and discuss with the Company's outside legal counsel any material government investigations, litigation or legal matters.

SCOPE OF RESPONSIBILITIES

6.1 The Committee shall:

a. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

b. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

6.2 While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the Independent Auditor. Nor is it the duty of the Committee to conduct investigations or to resolve disagreements, if any, between management and the Independent Auditor.

A-3

24

[X] PLEASE MARK VOTES
AS IN THIS EXAMPLE

SUN COMMUNITIES, INC.

CONTROL NUMBER:
RECORD DATE SHARES:

1. Election of Directors.

(01) CLUNET R. LEWIS
(02) ARTHUR A. WEISS

NOTE: If you do not wish particular nominee, mark a line through that nominee's name. If you wish to vote "For" the remaining nominees, mark "For" in the box.

2. The above-appointed proxyholder is authorized to vote on all matters incidental to the business of the Company and such other business as may come before the Annual Meeting in accordance with the Charter.

Please be sure to sign and date this Proxy. Date

Mark box at right if an agent has been noted on the reverse.

--- Shareholder sign here ----- Co-owner sign here ---

DETACH CARD

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SUN COMMUNITIES, INC.

Dear Shareholder:

Please take note of the important information enclosed with this Proxy Ballot. There are issues related to the management and operation of the Corporation that require your immediate attention and approval. These are discussed in detail in the enclosed proxy materials.

Your vote counts, and you are strongly encouraged to exercise your right to vote your shares.

Please mark the boxes on the proxy card to indicate how your shares will be voted. Then, sign the card, detach it and return your proxy vote in the enclosed postage paid envelope.

Your vote must be received prior to the Annual Meeting of Shareholders, May 22, 2001.

Thank you in advance for your prompt consideration of these matters.

Sincerely,

Sun Communities, Inc.

25

SUN COMMUNITIES, INC.
31700 MIDDLEBELT ROAD, SUITE 145
FARMINGTON HILLS, MICHIGAN 48334

SOLICITED BY THE BOARD OF DIRECTORS
FOR THE ANNUAL MEETING OF SHAREHOLDERS ON MAY 22, 2001

The undersigned hereby appoints Gary A. Shiffman and Arthur A. Weiss, or either of them, as attorneys and proxies of the undersigned shareholder, with full power of substitution, to vote on behalf of the undersigned and in his or her name and stead, all shares of the common stock of Sun Communities, Inc. (the "Company") which the undersigned would be entitled to vote if personally present at the Company's Annual Meeting of Shareholders to be held at the Best Western Executive Hotel & Suites, 31525 West Twelve Mile Road, Farmington Hills, Michigan 48334 on Tuesday May 22, 2001, and at any adjournments thereof.

The undersigned shareholder acknowledges receipt of the Notice of Annual Meeting and Proxy Statement dated April 9, 2001.

The giving of this Proxy does not affect the right of the undersigned shareholder to vote in person should the undersigned shareholder attend the Annual Meeting. This Proxy may be revoked at any time before it is voted.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN WITH RESPECT TO A PARTICULAR PROPOSAL, THIS PROXY WILL BE VOTED FOR SUCH PROPOSAL.

PLEASE VOTE, DATE AND SIGN ON REVERSE AND RETURN PROMPTLY

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IN THE ENCLOSED ENVELOPE.

NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES OF AMERICA.

HAS YOUR ADDRESS CHANGED?

DO YOU HAVE ANY COMMENTS?
