

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report: November 5, 2024
(Date of earliest event reported)



SUN COMMUNITIES, INC.
(Exact Name of Registrant as Specified in its Charter)

Maryland
(State of Incorporation)

1-12616
Commission file number

38-2730780
(I.R.S. Employer Identification No.)

27777 Franklin Rd. Suite 300, Southfield, Michigan
(Address of Principal Executive Offices)

48034
(Zip Code)

(248) 208-2500
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	SUI	New York Stock Exchange

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter):

- Emerging growth company

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

Retirement of Gary A. Shiffman

On November 5, 2024, Gary A. Shiffman, Chairman of the Board and Chief Executive Officer of Sun Communities, Inc. (the “Company”), informed the Company’s Board of Directors of his intent to retire as Chief Executive Officer of the Company following the expected appointment of his successor by the end of the 2025 calendar year, in accordance with the Board’s approved succession process. As described in more detail in Item 8.01 below, the Board of Directors has established a CEO Succession Planning Committee to conduct a comprehensive search process to identify a new Chief Executive Officer. To ensure a smooth transition, Mr. Shiffman will continue to actively serve as Chief Executive Officer until the effective date of the Board’s appointment of his successor. Mr. Shiffman intends to stand for re-election as a director at the Company’s 2025 annual meeting of shareholders. Mr. Shiffman’s retirement is not the result of any disagreement with the Company on any matter relating to its operations, policies or practices.

Appointment of John B. McLaren as President

On November 6, 2024, the Company appointed John B. McLaren as its President. Mr. McLaren, age 54, has served as Strategic Advisor, Residential Communities of the Company since January 2023, with duties focusing on the Company’s UK operations and integrating new manufactured housing developments. Previously, he served as the Company’s President from 2014 to 2022 and its Chief Operating Officer from 2008 to 2022 and held other positions with the Company since 2002.

On November 6, 2024, the Company and Sun Communities Operating Limited Partnership entered into an employment agreement with Mr. McLaren under which he serves the Company as its President. The term of Mr. McLaren’s employment agreement expires on November 6, 2029, but is automatically renewable thereafter for successive one-year terms unless either party timely terminates the agreement. Mr. McLaren’s annual base salary is \$600,000. In addition to his base salary, the Company may pay Mr. McLaren an annual bonus in an amount up to 200% of his base salary as determined by the Compensation Committee of the Board, based on individual goals and objectives for Mr. McLaren, the Company’s performance or other relevant criteria. Incentive compensation paid or payable to McLaren is subject to the Company’s Executive Compensation Recovery (Clawback) Policy.

The non-competition clause of Mr. McLaren’s employment agreement generally precludes him from engaging, directly or indirectly, in the same business as the Company, anywhere in the U.S. or any other country in which the Company operates for a period of up to 36 months following his employment; provided, however, that if he is terminated without cause, as defined in his employment agreement, the period of non-competition will be reduced to 12 months following his employment.

Mr. McLaren’s employment agreement provides that (a) if he is terminated by the Company without cause or resigns for good reason (each as defined in his employment agreement), he may continue to receive base salary payments for up to 18 months after termination of employment, and (b) if he dies or becomes disabled, he may continue to receive base salary payments for up to 24 months after termination of employment.

If there is a change in control (as defined in his employment agreement) of the Company and either: (i) the Company or its successor terminate Mr. McLaren’s employment agreement without cause within 24 months after the date of the change in control, (ii) Mr. McLaren terminates his employment for good reason within 24 months after the date of the change in control, or (iii) the form of the change in control transaction is a sale of all or substantially all of the Company’s assets and the Company or its successor does not expressly assume Mr. McLaren’s employment agreement, then the Company is obligated to pay Mr. McLaren an amount equal to 2.99 times his base salary (less amounts paid between the change in control event and the triggering event), and to continue to provide him health and insurance benefits for up to one year. In addition, in the case of any such triggering event, all stock options or other stock-based compensation awarded to Mr. McLaren will become fully vested and immediately exercisable and any stock options may be exercised by him at any time within one year after the triggering event.

Pursuant to a restricted stock award agreement, on November 6, 2024, the Company granted Mr. McLaren 50,000 shares of restricted common stock, 20,000 of which (the “Time Vesting Shares”) will vest in equal annual installments over five years, and 30,000 of which (the “Performance Vesting Shares”) are subject to performance vesting after three years based on certain market performance criteria. The Company will not grant Mr. McLaren regular annual restricted stock awards in 2025 or 2026 for his service as President. The vesting criteria for the Performance Vesting Shares will be the same as that applicable to performance-vesting restricted stock grants to the Company’s other executive officers in 2025. If at any time after November

6, 2026, Mr. McLaren terminates his employment because the individual to whom he directly reports has changed (other than because Mr. McLaren reports directly to the Board as the principal executive officer of the Company), all remaining unvested Time Vesting Shares will continue to vest over the remainder of the five-year vesting period, subject to Mr. McLaren's continuing compliance with his non-competition clause. If Mr. McLaren's employment is terminated at any time after November 6, 2026, but before the end of the three-year performance measurement period for any reason other than a termination by the Company for cause (as defined in his employment agreement), then, to the extent any of the performance vesting criteria are met at the end of the performance measurement period, a pro rata portion of the Performance Vesting Shares will vest, based on the portion of the period between the grant date and the end of the performance measurement period that Mr. McLaren is employed by the Company.

Mr. McLaren does not have any family relationships with any of the Company's directors or executive officers and is not a party to any transactions listed in Item 404(a) of Regulation S-K. Further, no arrangement or understanding exists between Mr. McLaren or any other person pursuant to which Mr. McLaren was selected as President.

The foregoing description of Mr. McLaren's employment and restricted stock award agreements does not purport to be complete and is subject to, and qualified in its entirety by, the full text of such agreements, copies of which are attached hereto as Exhibits 10.1 and 10.2, and the terms of which are incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On November 6, 2024, the Company issued a press release regarding the executive transitions described in Item 5.02 above and other matters, a copy of which is attached hereto as Exhibit 99.1 to this Current Report and is incorporated herein by reference solely for purposes of this Item 7.01 disclosure.

Cautionary Statement Regarding Forward-Looking Statements

This Current Report, including Exhibit 99.1 attached hereto, contains various "forward-looking statements" within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the Company intends that such forward-looking statements will be subject to the safe harbors created thereby. Forward-looking statements can be identified by words such as "forecasts," "intend," "goal," "estimate," "expect," "project," "projections," "plans," "predicts," "potential," "seeks," "anticipates," "should," "could," "may," "will," "designed to," "foreseeable future," "believe," "scheduled," "guidance," "target" and similar expressions in this filing that predict or indicate future events and trends and that do not report historical matters.

These forward-looking statements reflect the Company's current views with respect to future events and financial performance, but involve known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control. These risks, uncertainties, and other factors may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include risks related to natural disasters, such as hurricanes, earthquakes, floods, droughts and wildfires; existing or potential supply chain disruptions; outbreaks of disease and related restrictions on business operations; national, regional and local economic climates; wars and other international conflicts; difficulties in the Company's ability to evaluate, finance, complete and integrate acquisitions, developments and expansions successfully; the ability to maintain rental rates and occupancy levels; competitive market forces; the performance of recent acquisitions; changes in market rates of interest; changes in foreign currency exchange rates; the ability of purchasers of manufactured homes and boats to obtain financing; and the level of repossessions by manufactured home and boat lenders. Further details of potential risks that may affect the Company are described in the Company's periodic reports filed with the U.S. Securities and Exchange Commission, including in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The forward-looking statements contained in this filing speak only as of the date hereof and the Company expressly disclaims any obligation to provide public updates, revisions or amendments to any forward-looking statements made herein to reflect changes in the Company's assumptions, expectations of future events, or trends.

Item 8.01 Other Events.

On November 5, 2024, the Board established a CEO Succession Planning Committee (the “Committee”) to assist the Board in succession planning for the position of Chief Executive Officer of the Company and undertake those specific duties and responsibilities set forth in the CEO Succession Planning Committee Charter.

The Board appointed directors Jeff Blau and Tonya Allen as Co-Chairs of the Committee and Meghan G. Baivier, Jerry Ehlinger and Brian M. Hermelin as the other members of the Committee.

A copy of the CEO Succession Planning Committee Charter is filed as Exhibit 99.2 to this Current Report, and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
10.1*	Employment Agreement dated November 6, 2024 among Sun Communities, Inc., Sun Communities Operating Limited Partnership and John B. McLaren
10.2*#	Restricted Stock Award Agreement dated November 6, 2024 by and between Sun Communities, Inc. and John B. McLaren
99.1	Press Release issued by Sun Communities, Inc., dated November 6, 2024
99.2	CEO Succession Planning Committee Charter
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Management contract or compensatory plan or arrangement

Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K because such schedules and exhibits do not contain information which is material to an investment decision or which is not otherwise disclosed in the filed agreements. The Company will furnish the omitted schedules and exhibits to the SEC upon request by the SEC.

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 hereunto duly authorized.

Dated: November 7, 2024

SUN COMMUNITIES, INC.

By: /s/ Fernando Castro-Caratini

Fernando Castro-Caratini, Executive Vice President,
Chief Financial Officer, Secretary and Treasurer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of November 6, 2024 (the "Effective Date"), by and among SUN COMMUNITIES, INC., a Maryland corporation (the "REIT"), SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP, a Michigan limited partnership ("SCOLP") and JOHN B. McLAREN (the "Executive"). As used herein, "Company," shall refer to the REIT and SCOLP together.

WITNESSETH:

WHEREAS, SCOLP operates the business of the REIT;

WHEREAS, the REIT is the sole general partner of SCOLP;

WHEREAS, the Executive is currently an employee of the Company, providing services to SCOLP; and

WHEREAS, the Company desires to continue the employment of the Executive, under which he will provide services to the REIT and SCOLP, and the Executive desires to continue to be employed by the Company, on the terms and subject to the conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Employment.

- (a) The Company agrees to employ the Executive and the Executive accepts the employment, on the terms and subject to the conditions set forth below. During the Term (defined below), the Executive shall serve as the President of the REIT, and shall do and perform diligently all such services, acts and things as are customarily done and performed by officers of companies in similar business and in size to the REIT, together with such other duties as may reasonably be requested from time to time by the REIT's Chief Executive Officer or the Board of Directors of the REIT (the "Board"), which duties shall be consistent with the Executive's position as set forth above.
- (b) For service as an officer and employee of the Company, the Executive shall be entitled to the full protection of the applicable indemnification provisions of the Articles of Incorporation and Bylaws of the REIT, as they may be amended from time to time.

2. Term of Employment.

(a) Subject to the provisions for termination provided below, the term of the Executive's employment under this Agreement shall commence on the Effective Date and shall continue thereafter until the five-year anniversary of the Effective Date (the "Initial Term"); provided, however, that following the expiration of the Initial Term, the term of this Agreement shall be automatically extended for successive terms of one (1) year each thereafter (each a "Renewal Term"), unless either party notifies the other party in writing of its desire to terminate this Agreement at least ninety (90) days before the end of the Initial Term or the Renewal Term then in effect. The Initial Term and each Renewal Term are collectively referred to as the "Term."

(b) The Executive acknowledges and agrees that the Executive is an "at-will" employee and that the Executive's employment may be terminated, with or without cause, at the option of the Executive or the REIT.

3. Devotion to the Company's Business. The Executive shall devote his best efforts, knowledge, skill, and his entire productive time, ability and attention to the business of the Company; provided, however, the Executive's expenditure of reasonable amounts of time on various charitable and other community activities, or on the Executive's own personal investments and projects, shall not be deemed a breach of this Agreement so long as the amount of time so devoted does not materially impair, detract or adversely affect the performance of the Executive's duties under this Agreement.

4. Compensation.

(a) During the Term, the Company shall pay or provide, as the case may be, to the Executive the compensation and other benefits and rights set forth in Sections 4, 5 and 6 of this Agreement.

(b) Base Compensation. As compensation for the services to be performed hereunder, the Company shall pay to the Executive, during his employment hereunder, an annual base salary of Six Hundred Thousand Dollars (\$600,000) (the "Base Salary"). The Base Salary shall be payable in accordance with the Company's usual pay practices (including tax withholding), but in no event less frequently than monthly.

(c) Annual Bonus. The Executive will be eligible to receive a discretionary bonus (the "Bonus") for each calendar year during the Term (each, a "Bonus Year"). The amount of any Bonus for any Bonus Year shall be determined by the Compensation Committee of the Board in an amount up to 200% of the aggregate Base Salary for such Bonus Year. In determining the Bonus for any Bonus Year, the Compensation Committee in its sole discretion may take into account such criteria as it deems relevant or necessary in its discretion, including, without limitation, whether the Executive fulfills any individual goals and objectives for such Bonus Year set by the Board or Compensation Committee, the Company's performance and industry factors. Any such individual and Company goals and objectives may be, but need not be, set forth in a written plan

approved by the Compensation Committee before or during any Bonus Year. The determination of the Bonus shall be made by the Compensation Committee of the Board no later than March 7th of the following calendar year and any Bonus shall be paid to the Executive on or before March 15th of the following calendar year.

(d) Disability. During any period that the Executive fails to perform his duties hereunder as a result of incapacity due to physical or mental illness (the “Disability Period”), the Executive shall be entitled to receive, first, any amount that the Executive is eligible to receive under any disability benefit plans or programs of the Company and, second, any social security disability benefits that the Executive is eligible to receive (collectively, the “Program Benefits”). During the Disability Period and until his employment is terminated by the Company pursuant to Section 7(a)(iii) below, the Company shall pay to the Executive the difference, if any, between the Program Benefits received by the Executive and the amount of his full Base Salary, Bonus and other benefits at the rate in effect for such period. Any payments to the Executive under the preceding sentence shall be paid in accordance with the Company’s regular payroll practices.

(e) Clawback Policy. Notwithstanding anything to the contrary herein, the Executive acknowledges and agrees that the Bonus and any other incentive compensation paid or payable to the Executive hereunder is subject to the Sun Communities, Inc. Executive Compensation Recovery (Clawback) Policy, as it may be amended, restated or supplemented from time to time (the “Clawback Policy”), and any similar clawback or compensation recovery policy that is in effect from time to time. The Executive acknowledges and confirms that he (i) has received and reviewed a copy of the Clawback Policy (ii) is, and will continue to be, subject to the Clawback Policy, and that the Clawback Policy will apply both during and after his employment with the Company. Further, the Executive agrees to abide by the terms of the Clawback Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Clawback Policy) to the Company to the extent required by, and in a manner permitted by, the Clawback Policy.

5. Benefits.

(a) Insurance. The Executive shall be eligible for life, medical, dental, optometry and hospitalization insurance for himself, his spouse and eligible family members commensurate with similarly situated executive employees of Company and in accordance with plan documents and Company’s policies and procedures. The Executive must satisfy all plan requirements in order to enroll or continue in any insurance benefit plans.

(b) Savings Plans. The Executive, at his election, may participate, during his employment hereunder, in all retirement plans, 401(k) plans and other savings plans of the Company generally available from time to time to other executive employees of the

Company and for which the Executive qualifies under the terms of the plans (and nothing in this Agreement shall or shall be deemed to in any way affect the Executive's right and benefits under any such plan except as expressly provided herein). At the discretion of the Compensation Committee of the Board, the Executive may also be entitled to participate in any equity, stock option or other employee benefit plan that is generally available to senior executives of the Company. In addition to the foregoing, the Executive's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan. Nothing contained in this Agreement shall be construed to create any obligation on the part of the Company to establish any such plan or to maintain the existence of any such plan which may be in effect from time to time.

(c) Annual Paid Vacation. Beginning on the Effective Date of this Agreement, the Executive shall be entitled to four (4) weeks' paid vacation time each year, which may be used for any purpose including vacation, sick or personal time. On each anniversary of the Effective Date during the Term, the Executive shall be entitled to four (4) weeks' paid vacation time. The Executive shall not take more than fourteen (14) consecutive calendar days of vacation without the prior approval of the REIT's Chief Executive Officer. Unless otherwise approved by the Chief Executive Officer of the REIT in writing, vacation time does not roll over from one year to the next. Unused vacation time shall not be paid out at the end of the year or upon termination of employment for any reason.

6. Reimbursement of Business Expenses. The Company shall reimburse the Executive for travel, entertainment and other expenses reasonably and necessarily incurred by the Executive in the performance of his duties under this Agreement. The Executive shall furnish such documentation with respect to reimbursement to be paid hereunder in accordance with Company's expense reimbursement policies.

7. Termination of Employment.

(a) The Executive's employment under this Agreement may be terminated:

- (i) by either the Executive at any time without Good Reason (as defined below) or the Company at any time without Cause (as defined below) upon not less than sixty (60) days written notice;
- (ii) by the REIT at any time for Cause, without prior notice;
- (iii) by the REIT upon the Executive's "permanent disability" (as defined below) upon not less than thirty (30) days written notice;
- (iv) upon the Executive's death; and

- (v) by the Executive at any time for Good Reason.
- (b) For purposes hereof, for “Cause” shall mean: (i) a material breach of any provision of this Agreement by the Executive (if the breach is curable, it will constitute Cause only if it continues uncured for a period of twenty (20) days after Executive’s receipt of written notice of such breach from the Company); (ii) the Executive’s failure or refusal, in any material manner, to perform all lawful services required of him pursuant to this Agreement, which failure or refusal continues for more than twenty (20) days after the Executive’s receipt of written notice of such deficiency; (iii) the Executive’s commission of fraud, embezzlement or theft, or a crime constituting moral turpitude, in any case, whether or not involving Company, that in the reasonable good faith judgment of the REIT, renders the Executive’s continued employment harmful to the Company; (iv) the Executive’s misappropriation of Company assets or property, including, without limitation, obtaining reimbursement through fraudulent vouchers or expense reports; or (v) the Executive’s conviction or the entry of a plea of guilty or no contest by the Executive with respect to any felony or other crime that, in the reasonable good faith judgment of the REIT, adversely affects the Company or its reputation or business. The Company shall determine in its sole discretion whether Executive is terminated for Cause or has resigned with Good Reason.
- (c) For purposes hereof, the Executive’s “permanent disability.” shall be deemed to have occurred if the Executive, by reason of the Executive’s physical or mental disability or impairment which cannot be accommodated under the Americans with Disabilities Act (ADA) and which can be expected to result in death or can be expected to last for a period of not less than 6 months, (i) is unable to engage in any substantial gainful activity, or (ii) is receiving income replacement benefits for a period of not less than 6 months under an accident and health plan of the Company. The Company shall determine in its sole discretion whether the Executive is being terminated due to permanent disability.
- (d) For purposes hereof, “Good Reason” shall mean: (i) a material breach of this Agreement by the Company that is not cured within thirty (30) days after receiving written notice from the Executive of such breach, which notice must be provided within ninety (90) days of the initial existence of the Good Reason condition, with the determination as to whether there has been a breach and whether the breach is material to be determined by the Nominating and Corporate Governance Committee of the Board in the reasonable and good faith exercise of its discretion; (ii) material diminution of, or material reduction or adverse alteration of, the Executive’s duties or responsibilities without the consent of the Executive, or the Company’s assignment of duties, responsibilities or reporting requirements that are materially inconsistent with his positions or that materially expand his duties, responsibilities, or reporting requirements without the consent of the Executive; or (iii) any requirement by the Company that the Executive relocate to a principal place of business outside of the Detroit, Michigan metropolitan area. Written notice of an event constituting Good Reason must be

provided to the Company by the Executive within ninety (90) days of its occurrence. The Company will have thirty (30) days to cure such occurrence, and the Executive may not terminate this Agreement due to Good Reason more than thirty (30) days following the last day of such cure period (and only if the Company has failed to cure).

8. Compensation Upon Termination or Disability.

- (a) In the event that the REIT terminates the Executive's employment under this Agreement without Cause pursuant to Section 7(a)(i) or if the Executive terminates this Agreement for Good Reason pursuant to Section 7(a)(v), (i) the Executive shall be entitled to Base Salary and benefits through the effective date of such termination paid in accordance with Company's normal payroll policy, (ii) the Executive shall be entitled to receive a Bonus equal to any amount for such Bonus accrued by the Company and unpaid as of the termination date, which Bonus shall be paid by the Company to the Executive within thirty (30) days of the effective date of such termination (or such later date as may be required in order to determine the amount of any Bonus being paid to the Executive but in no event later than March 15th of the calendar year following the calendar year that the Executive's employment is terminated), and (iii) subject to the Executive's execution of a general release of claims in a form satisfactory to the Company (a "General Release"), the Company shall pay the Executive monthly an amount equal to one-twelfth (1/12) of the Base Salary (at the rate that would otherwise have been payable under this Agreement) for a period of up to eighteen (18) months if the Executive fully complies with Sections 12 and 13 of this Agreement (the "Severance Payment"). The first monthly installment of the Severance Payment shall be paid on the Company's first payroll date after expiration of the revocation period, in accordance with the Age Discrimination in Employment Act (ADEA), as set forth in the General Release; provided, if the Company does not have sufficient time to include the first monthly installment of the Severance Payment in such first payroll date, it will be paid on the next payroll date; provided, further, that, regardless of when the Executive actually executes the General Release, if the applicable revocation period spans two calendar years, the payment of Severance Payments will not commence until the first day of a month in the second calendar year, at which time the Executive will be paid an amount equal to the aggregate amount of all payments delayed until such actual pay date, and the remaining Severance Payments not so delayed shall thereafter be provided to the Executive according to the payment schedule otherwise set forth in this Section 8(a). Notwithstanding the foregoing, the Severance Payment shall not be due the Executive if the Executive is entitled to Change in Control Benefits (as defined in Section 10 below). Upon notification by either party to the other party of the non-renewal of the Initial Term or any Renewal Term as provided in Section 2(a) above, the Executive shall not be entitled to any Severance Payments at the end of the Term.
- (b) If (i) the Company terminates the Executive's employment under this Agreement for Cause, or (ii) the Executive voluntarily terminates his employment hereunder, other than for Good Reason pursuant to Section 7(a)(v) hereof, the Executive

shall be entitled to no further compensation or other benefits under this Agreement, except for any accrued and unpaid Base Salary and benefits through the effective date of such termination.

- (c) In the event of termination of the Executive's employment under this Agreement due to the Executive's permanent disability or death, (i) the Executive (or his heirs, successors and assigns in the event of his death) shall be entitled to any Base Salary and benefits through the effective date of such termination, in accordance with Section 4(d), (ii) the Executive (or his heirs, successors and assigns in the event of his death) shall be entitled to receive a Bonus equal to any amount for such Bonus accrued by the Company and unpaid as of the termination date, which Bonus shall be paid by the Company to the Executive or his successors and assigns, as appropriate, within thirty (30) days of the effective date of such termination (or such later date as may be required in order to determine the amount of any Bonus being paid to the Executive but in no event later than March 15th of the calendar year following the calendar year that the Executive's employment is terminated), and (iii) subject to the Executive's (or, in the event of death, his heirs', successors' or assigns') execution of a General Release and so long as the Executive fully complies with Sections 12 and 13 of this Agreement, the Company shall pay the Executive (or his heirs, successors and assigns in the event of his death) monthly during the twenty four (24) months following the termination date the difference, if any, between the Program Benefits received by the Executive during such period and an amount equal to one-twelfth (1/12) of the Base Salary (at the rate that would otherwise have been payable under this Agreement) during such period (the "Disability Payment"). The first monthly installment of the Disability Payment shall be paid on the Company's first payroll date after the expiration of the revocation period, in accordance with the Age Discrimination in Employment Act (ADEA), as set forth in the General Release; provided, if the Company does not have sufficient time to include the first monthly installment of the Disability Payment in such first payroll date, it will be paid on the next payroll date. The Executive agrees to cooperate in any reasonable requirement to undertake a medical physical examination as may be reasonably requested by an insurance carrier in the event that the Company decides to obtain additional death or disability insurance coverage on the Executive.
- (d) Notwithstanding anything to the contrary in this Section 8, the Company's obligation to pay, and the Executive's right to receive, any Bonus, Severance Payment or Disability Payment under this Section 8, shall terminate upon the Executive's breach of any provision of Section 12 or Section 13 hereof. In addition, the Executive shall promptly return to the Company any Bonus, Severance Payment, or Disability Payment, upon the Executive's breach of any provision of Section 12 or Section 13 hereof.
- (e) If during the Notice Period this Agreement is terminated for any reason that would otherwise entitle the Executive to Severance Payments or Disability Payments in accordance with this Section 8, the Company shall be obligated to pay such Severance Payments and/or Disability Payments only through the end of the Notice Period, and the

aggregate amount of Severance Payments and/or aggregate amount of Disability Payments shall be reduced accordingly.

(f) If either party notifies the other party of the non-renewal of the Initial Term or any Renewal Term as provided in Section 2(a) above, from the date of such notice through termination of employment or the end of the Term, as applicable (the “Notice Period”), the Company shall continue to pay the Base Salary and provide benefits described in this Agreement to the Executive, provided that the Executive continues to faithfully and diligently perform his duties under this Agreement and in accordance with Company policies.

9. Resignation of Executive. Upon any termination of the Executive's employment under this Agreement, the Executive shall be deemed to have resigned from any and all offices and directorships held by the Executive in the Company and/or any of its Affiliates (as defined in Section 12 below).

10. Effect of Change in Control.

(a) Subject to the Executive's execution of a General Release of claims in a form satisfactory to the Company or its successor, the Company or its successor shall pay the Executive the Change in Control Benefits (as defined below) if there has been a Change in Control (as defined below) and any of the following events (each a “Triggering Event”) has occurred: (i) the Executive's employment under this Agreement is terminated by the Company or its successor without Cause in accordance with Section 7(a)(i) at any time within twenty-four (24) months after the Change in Control, (ii) the Executive terminates his employment under this Agreement for Good Reason in accordance with Section 7(a)(v) at any time within twenty-four (24) months after the Change in Control; or (iii) upon a Change in Control under Section 10(g)(ii), the Company or its successor does not expressly assume all of the terms and conditions of this Agreement.

(b) For purposes of this Agreement, the “Change in Control Benefits” shall mean the following benefits:

(i) A cash payment equal to (A) two and 99/100 (2.99) times the Base Salary in effect on the date of such Change in Control, less (B) any amounts paid to the Executive under this Agreement following a Change in Control, but prior to the occurrence of a Triggering Event, payable within sixty (60) days of the Change in Control or, in the event that the cessation of the Executive's employment hereunder triggers the Change in Control Benefits, payable within thirty (30) days after such cessation of employment; and

(ii) Continued receipt of all group health benefits set forth in Section 5(a) of this Agreement, until the earlier of (A) one year following the

Change in Control (which period shall run concurrently with the Executive's COBRA period) or (B) the commencement of comparable coverage from another employer. The provision of any one benefit by another employer shall not preclude the Executive from continuing participation in Company benefit programs provided under this Section 10(b)(ii) that are not provided by the subsequent employer. The Executive shall promptly notify the Company upon receipt of benefits from a new employer comparable to any benefit provided under this Section 10(b)(ii).

- (c) Notwithstanding anything to the contrary herein, in the event that within sixty (60) days prior to a Change in Control (i) the Executive's employment under this Agreement is terminated by the Company or its successor without Cause in accordance with Section 7(a)(i), or (ii) the Executive terminates his employment under this Agreement for Good Reason in accordance with Section 7(a)(v), such termination, in either case, shall be deemed to have been made in connection with the Change in Control, such termination shall be a Triggering Event, and (x) the Executive shall be entitled to receive the Change in Control Benefits, (y) the Executive shall be entitled to be reimbursed for any COBRA premiums previously paid by the Executive, and (z) in accordance with Section 11 below, subject to the Executive's execution of a General Release of claims in a form satisfactory to the Company or its successor, all stock options or other stock based compensation awarded to the Executive shall become fully vested and immediately exercisable and all stock options may be exercised by the Executive at any time within one (1) year after such Triggering Event.
- (d) The Change in Control Benefits shall be in addition to the acceleration of the vesting of stock options and other stock based compensation as a result of a Triggering Event.
- (e) Notwithstanding anything to the contrary contained herein, in the event it shall be determined that any compensation payment or distribution by the Company to or for the benefit of the Executive would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the Change in Control Benefits will be reduced to the extent necessary so that no excise tax will be imposed, but only if to do so would result in the Executive retaining a larger amount, on an after-tax basis, taking into account the excise and income taxes imposed on all payments made to the Executive hereunder.
- (f) The Company shall pay to the Executive all reasonable legal fees and expenses incurred by the Executive in obtaining or enforcing any right or benefit provided by this Section 10, but only to the extent that the Company is determined to be liable to the Executive for breach of this Section 10 as a part of a final judgment on the merits pursuant to binding arbitration.

(g) For purposes of this Agreement, a “Change in Control” shall be deemed to have occurred upon the closing of any of the following transactions:

- (i) if any person or group of persons acting together (other than (a) the Company or any person (A) who as of the date hereof was a director or officer of the REIT, or (B) whose shares of Common Stock of the REIT are treated as "beneficially owned" by any such director or officer, or (b) any institutional investor (filing reports under Section 13(g) rather than 13(d) of the Securities Exchange Act of 1934, as amended, including any employee benefit plan or employee benefit trust sponsored by the Company)), becomes a beneficial owner, directly or indirectly, of securities of the REIT representing fifty percent (50%) or more of either the then-outstanding Common Stock of the REIT or the combined voting power of the REIT then-outstanding voting securities (other than as a result of an acquisition of securities directly from the REIT);
- (ii) if the Company sells all or substantially all of the Company's assets to any person (other than a wholly-owned subsidiary of the Company formed for the purpose of changing the Company's corporate domicile);
- (iii) if the Company merges or consolidates with another person as a result of which the shareholders of the REIT immediately prior to such merger or consolidation would beneficially own (directly or indirectly), immediately after such merger or consolidation, securities of the surviving entity representing less than fifty percent (50%) of the then outstanding voting securities of the surviving entity; or
- (iv) if the new directors appointed to the Board during any twelve-month period constitute a majority of the members of the Board, unless (A) the directors who were in office for at least twelve (12) months prior to such twelve-month period (the “Incumbent Directors”) plus (B) the new directors who were recommended or appointed by a majority of the Incumbent Directors constitutes a majority of the members of the Board.

For purposes of this Section 10(g), a “person” includes an individual, a partnership, a corporation, an association, an unincorporated organization, a trust or any other entity.

11. Stock Awards. Subject to the provisions of any equity incentive award agreement between the Company and the Executive, in the event of termination of the Executive's employment under this Agreement for Cause or a termination by the Executive without Good Reason, all stock options or other stock-based compensation awarded to the Executive shall lapse and be of no further force or effect whatsoever in accordance with the Company's equity incentive plans. Subject to the Executive's execution of a general release of claims in a form satisfactory to the Company, if the Company terminates the Executive's employment under this Agreement without Cause or if the Executive terminates his employment under this Agreement

for Good Reason in accordance with Section 7(a)(v) or upon the death or permanent disability of the Executive, all stock options and other stock based compensation awarded to the Executive shall become fully vested and immediately exercisable and all stock options may be exercised by the Executive at any time within one (1) year after the Triggering Event. Subject to the Executive's execution of a general release of claims in a form satisfactory to the Company or its successor, upon a Triggering Event or any event described in Section 10(c) of this Agreement, all stock options or other stock-based compensation awarded to the Executive shall become fully vested and immediately exercisable and all stock options may be exercised by the Executive at any time within one (1) year after the Triggering Event. All stock options and other stock-based compensation award agreements between the Company and the Executive shall be amended to conform to the provisions of this Section 11. In the event of an inconsistency between this Section 11 and such award agreements, such award agreements shall control.

12. Confidential Information.

(a) The Executive acknowledges the Company's reliance on and expectation of the Executive's continued commitment to performance of his duties and responsibilities related to the protection of Company's Confidential Information (defined below) and competitive business interests both during and after the term of this Agreement. The Executive further acknowledges that his position is one of considerable responsibility and requires that the Company expend time and resources to provide him the tools and Confidential Information necessary to oversee operations and grow the Company's significant portfolio of business. It is Company's intent to protect its Confidential Information, in whatever form, whether written, electronic, spoken, or facsimiled, from and against unauthorized use, disclosure, destruction or modification. Maintaining its Confidential Information in the strictest confidence is essential for the Company's continued success. The Company must also protect its reasonable competitive business interests by preventing employees and competitors from using its Confidential Information.

(b) Throughout his employment with Company, he has been and will be privy to confidential information belonging to Company and its Affiliates in any form, whether in writing, orally, electronically, or otherwise (collectively, "Confidential Information"), which includes, but is not limited to, any information that is or relates to:

(i) information that is trade secret under applicable trade secret or other law;

(ii) information concerning the past or present business or affairs of the Company or its Affiliates which includes, but is not limited to, historical and current financial statements, general ledgers, balance sheets and income statements; financial projections, plans, policies and budgets; accounting practices; tax returns and accountants' materials; information pertaining to accounting, financial reporting and auditing; bank statements; notes; accounts

payable and receivable; historical, current and projected sales; capital spending budgets and plans; business plans and strategic methods; marketing techniques and advertising plans; legal matters, including but not limited to litigation strategy and attorney-client privileged information; publications; information pertaining to prospective customers, customers, customer lists and files, vendors, contractors, business partners; joint ventures or acquisitions; pricing information; contracts; operational and/or administrative protocols, plans, or rules; human resource information including the names and backgrounds of key personnel, personnel issues, salaries, bonuses, and incentive plans; all other information regarding the operation and administration of Company or its Affiliates; and all information obtained from review of Company's or its Affiliate's documents or property or discussions with Company or its Affiliates regardless of the form of the communication;

- (iii) information not available to competitors of Company or its Affiliates, the use or disclosure of which might reasonably be construed to be contrary to the interests of Company or its Affiliates or give other persons or entities to whom such information is disclosed a competitive advantage over Company or its Affiliates; and
- (iv) all notes, analyses, compilations, studies, summaries and other material prepared by Company or its Affiliates containing or based, in whole or in part, upon any information included in the above (collectively, the "Confidential Information").

(c) The Executive will not at any time, for so long as any Confidential Information remains confidential or otherwise remains wholly or partially protectable, use or disclose any Confidential Information, directly or indirectly, to any person outside of Company, or any corporation owned or controlled by the Company, or under common control with the Company ("Affiliates") unless compelled by judicial process. Upon receipt of judicial process or governmental request for such information, the Executive shall immediately notify the Company and shall cooperate with the Company in efforts to limit such disclosure and shall not make such disclosure unless compelled to do so.

(d) Promptly upon the termination of this Agreement for any reason or upon Company's request at any time, the Executive (or in the event of the Executive's death, his personal representative) shall return to the Company all property (whether prepared by or at the direction of the Company or the Executive) including, but not limited to, devices, company keys, passwords, security badges, hardware, software, letters, handbooks, manuals, customer lists, corporate credit card, originals and all copies of all documents, books, binders, records, materials, memoranda and other data constituting or pertaining to Confidential Information, in any form, within his possession, custody or control, including all copies of documents sent by electronic mail or otherwise to any personal computer owned or accessed by the Executive.

(e) Notwithstanding above, the Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. In addition, the Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit, arbitration or other proceeding, if such filing is made under seal. If the Executive files a lawsuit for retaliation by Company for reporting a suspected violation of law, he may disclose the trade secret to his attorney and use the trade secret information in the court or arbitration proceeding, so long as the Executive files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court or arbitral order. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

13. Covenant Not to Compete and Non-Solicitation.

(a) The Executive will not, for a period commencing on the Effective Date and ending upon the expiration of thirty-six (36) months following the termination of the Executive's employment under this Agreement for any reason, including, without limitation, the expiration of the term of this Agreement (the "Non-competition Period"), either directly or indirectly, engage in, or have an interest in or be associated with (whether as an officer, director, stockholder, partner, associate, employee, consultant, owner, contractor, or otherwise) any corporation, firm or enterprise which is engaged in the same business or businesses as the Company, including, without limitation, the development, ownership, leasing, management, financing or sales of manufactured housing or land lease communities, recreational vehicle resorts, camping or glamping resorts with detached dwellings, marinas, manufactured or other homes, or camping and glamping dwellings, anywhere within the United States or any other country or territory in which the Company or its subsidiaries engaged or planned to engage in any such business in the twelve (12) months preceding Executive's separation of employment; provided, however, that, notwithstanding anything to the contrary herein, (A) in the event that the Company terminates the Executive's employment hereunder without Cause, the Non-competition Period shall be reduced to twelve (12) months, and (B) the Executive may invest in any publicly held corporation engaged, if such investment does not exceed one percent (1%) in value of the issued and outstanding capital stock of such corporation, and the Executive does not directly or indirectly provide any services to such corporation.

(b) For a period commencing on the date of this Agreement and ending upon the expiration of the Non-competition Period, the Executive shall not, either directly or indirectly, divert, or by aid to others, do anything which would tend to divert, from the Company or any Affiliate any trade or business with any customer or supplier with whom the Executive had any contact or association during the term of the Executive's employment with the Company or with any party whose identity or potential as a customer or supplier was confidential or learned by the Executive during his employment by the Company.

(c) For a period commencing on the date of this Agreement and ending upon the expiration of the Non-competition Period, the Executive shall not, either directly or indirectly, call upon, compete for, solicit for employment, hire or engage as an employee or contractor any person with whom the Executive was acquainted while employed by the Company.

(d) Notwithstanding the foregoing, other than manufactured housing communities, recreational vehicle resorts, manufactured homes, marinas or any other business or industry in which Company conducts business, the Executive shall not be prohibited from making investments in any entity engaged in the business of development, ownership, leasing, sales, management or financing of single family or multi-family housing, condominiums, townhome communities or other forms of housing so long as he is not employed by, and he does not perform any services for, any such business (other than services incidental to the oversight of his investment).

14. Reasonableness of Restrictive Covenants.

(a) The Executive acknowledges and agrees that the restrictions set forth in this Agreement, including without limitation the time period, scope and geographical restrictions in Sections 12 and 13, are fair and reasonable. The Executive recognizes that Company conducts its business nationally and internationally and that these restrictions are reasonably tailored to protect Company's legitimate, global business interests and Confidential Information. The Executive has contemplated the effect that these restrictions may have upon him following termination of employment with Company and that it will be necessary to structure his activities and operations so as not to violate this Agreement.

(b) If the Executive violates any part of Section 13 of this Agreement during the period specified, such period will be extended for the time that the Executive is in violation of the Agreement. The purpose of this provision is to provide Company with full compliance with Section 13 for the total period specified following the Executive's termination.

(c) If any court or arbitrator determines that any of the covenants, or any part of any covenant, is invalid or unenforceable, the remainder of the covenants shall not be affected and shall be given full effect, without regard to the invalid portion. If any court or arbitrator determines that any of the covenants, or any part of any covenant, is unenforceable because of its duration or geographic scope, such court or arbitrator shall have the power to reduce the duration or scope, as the case may be, and, enforce such provision in such reduced form.

(d) Sections 12 and 13 of this Agreement shall remain enforceable and shall survive the termination of the Executive's employment and the termination of this Agreement, indefinitely, and shall not be deemed merged or extinguished by any act or omission, absent the specific signed written intention of the Parties to do so. The

Executive agrees and understands that the remedy at law for any breach by him of Section 12 or Section 13 will be inadequate and that the damages flowing from such breach are not readily susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon adequate proof of the Executive's violation of any legally enforceable provision of Section 12 or Section 13 but without the necessity of proving actual damages, the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach from the Oakland County Circuit Court, other circuit court with appropriate jurisdiction, or through the Arbitrator (as defined below) as set forth below (in Company's sole discretion). Nothing in this Section shall be deemed to limit the Company's remedies at law or in equity for any breach by the Executive of any of the provisions of Section 12 or Section 13 which may be pursued or availed of by the Company.

15. Arbitration. Except as permitted in Section 14 above, any and all disputes, controversies or claims of any nature whatsoever relating to, or arising out of, this Agreement or the Executive's employment, whether in contract, tort, or otherwise (including, without limitation, claims of wrongful termination of employment, claims under Title VII of the Civil Rights Act, the Fair Labor Standards Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, or comparable state or federal laws, and any other laws dealing with employees' rights and remedies), shall be settled by mandatory arbitration administered by the American Arbitration Association under its National Rules for the Resolution of Employment Disputes (the "Rules") and the following provisions: (a) a single arbitrator (the "Arbitrator"), mutually agreeable to the Company and the Executive, shall preside over the arbitration and shall make all decisions with respect to the resolution of the dispute, controversy or claim between the parties; (b) in the event that the Company and the Executive are unable to agree on an Arbitrator within fifteen (15) days after either party has filed for arbitration in accordance with the Rules, they shall select a truly neutral arbitrator in accordance with the rules for the selection of neutral arbitrators, who shall be the "Arbitrator" for the purposes of this Section 15; (c) the place of arbitration shall be Southfield, Michigan unless mutually agreed otherwise; (d) judgment may be entered on any award rendered by the Arbitrator in any federal or state court having jurisdiction over the parties; (e) all fees and expenses of the Arbitrator shall be shared equally between Company and the Executive; (f) the decision of the Arbitrator shall govern and shall be conclusive and binding upon the parties; (g) the parties shall be entitled to reasonable levels of discovery in accordance with the Federal Rules of Civil Procedure or as permitted by the Arbitrator, provided, however, that the time permitted for discovery shall not exceed eight (8) weeks and each party shall be limited to two (2) depositions; and (h) this provision shall be enforceable by specific performance and/or injunctive relief, and shall constitute a basis for dismissal of any legal action brought in violation of the duty to arbitrate. The parties hereby acknowledge that it is their intent to expedite the resolution of any dispute, controversy or claim hereunder and that the Arbitrator shall schedule the timing of discovery and of the hearing consistent with that intent. Notwithstanding anything to the contrary herein, nothing contained in this Section 15 shall be construed to preclude Company from obtaining injunctive or other equitable relief from the Oakland County Circuit

Court or other court with appropriate jurisdiction to secure specific performance or to otherwise prevent the Executive's breach of Section 12 or Section 13 of this Agreement.

16. Notice. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given (a) if personally delivered, on the date of delivery, (b) if delivered by express courier service of national standing for next day delivery (with charges prepaid), on the business day following the date of delivery to such courier service, (c) if delivered by telecopy (with confirmation of delivery), on the date of transmission if on a business day before 5:00 p.m. local time of the recipient party (otherwise on the next succeeding business day); (d) if delivered by electronic mail upon confirmation of successful transmission or appropriate response, on the date of transmission if on a business day before 5:00 p.m. local time of the business address of the recipient party (otherwise on the next succeeding business day); and (e) if deposited in the United States mail, first-class postage prepaid, on the date of delivery, in each case, to the appropriate addresses or facsimile numbers set forth below (or to such other addresses or facsimile numbers as a party may designate by notice to the other parties in accordance with this Section 16):

If to the REIT or SCOLP:

Sun Communities, Inc.
27777 Franklin Road, Suite 200
Southfield, Michigan 48034
Fax: (248) 208-2641
Attn: Chief Executive Officer

If to the Executive:

John B. McLaren
c/o Sun Communities, Inc.
27777 Franklin Road, Suite 200
Southfield, Michigan 48034
Fax: (248) 208-2644

In all events, with a copy to:

Taft Stettinius & Hollister LLP
27777 Franklin Road, Suite 2500
Southfield, Michigan 48034
Fax: (248) 351-3082
Attn: Matthew Murphy

17. Cooperation in Future Matters. The Executive hereby agrees that, for a period of eighteen (18) months following his termination of employment for any reason whatsoever, he

shall cooperate with the Company's reasonable requests relating to matters that pertain to the Executive's employment by the Company, including, without limitation, providing information or limited consultation as to such matters, participating in legal proceedings, investigations or audits on behalf of the Company, or otherwise making himself reasonably available to the Company for other related purposes. Any such cooperation shall be performed at scheduled times taking into consideration the Executive's other commitments, and the Executive shall be compensated at a reasonable hourly or per diem rate to be agreed upon by the parties to the extent such cooperation is required on more than an occasional and limited basis. The Executive shall not be required to perform such cooperation to the extent it conflicts with any requirements of exclusivity of services for another employer or otherwise, nor in any manner that in the good faith belief of the Executive would conflict with his rights under or ability to enforce this Agreement.

18. Miscellaneous.

- (a) The provisions of this Agreement are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction nevertheless shall be binding and enforceable.
- (b) Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other party; provided that the Company may assign its rights under this Agreement without the consent of the Executive in the event that the Company shall effect a reorganization, consolidate with or merge into another corporation, partnership, organization or other entity, or transfer all or substantially all of its properties or assets to any other corporation, partnership, organization or other entity. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.
- (c) The failure of either party to enforce any provision or protections of this Agreement shall not in any way be construed as a waiver of any such provision or provisions as to any future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's right to assert all other legal remedies available to it under the circumstances.
- (d) The Board shall allocate all compensation described in Sections 4, 5, 6, 8 and 10 between the REIT and SCOLP on an annual basis, after determining the services provided to each entity by the Executive for the relevant period. For tax reporting purposes, all compensation will be appropriately reported to the Executive and Federal and state taxing authorities based upon the Executive's legal relationship with each entity as determined under applicable law. The Company may withhold from any amounts

payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any applicable law, regulation or ruling.

- (e) This Agreement sets forth the entire agreement and understanding of the parties to it with respect to its subject matter, and supersedes all prior agreements, understandings and communications, whether written or oral, with respect to its subject matter, including, without limitation, that certain Employment Agreement dated January 27, 2023 between the Executive and SCOLP. All prior representations or agreements regarding the subject matter of this Agreement, whether written or verbal, not expressly incorporated in it, are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all parties.
- (f) This Agreement shall be governed by and construed according to the laws of the State of Michigan.
- (g) Captions and Section headings used herein are for convenience and are not a part of this Agreement and shall not be used in construing it.
- (h) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- (i) Except as otherwise provided in Section 10(f) above, each party shall pay his or its own fees and expenses, including, without limitation, legal fees, incurred in connection with the transactions contemplated by this Agreement, including, without limitation, any fees incurred in connection with any arbitration arising out of the transactions contemplated by this Agreement.
- (j) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code, to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. In the event that any provision of Agreement or any other agreement or award referenced herein is mutually agreed by the parties to be in violation of Section 409A of the Code, the parties shall cooperate reasonably to attempt to amend or modify this Agreement (or other agreement or award) in order to avoid a violation of Section 409A of the Code while attempting to preserve the economic intent of the applicable provision to the extent permitted by Section 409A of the Code. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of any payments under this Agreement which are subject to Section 409A of the Code until the Executive would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Each amount to be paid or benefit to be provided under this Agreement shall be construed as a separate identified payment for purposes of Section 409A of the Code. Without limiting the foregoing and

notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement or any other arrangement between the Executive and the Company during the six-month period immediately following the Executive's separation from service shall instead be paid on the first business day after the date that is six months following the Executive's separation from service (or, if earlier, the Executive's date of death). To the extent required to avoid an accelerated or additional tax under Section 409A of the Code, amounts reimbursable to the Executive under this Agreement shall be paid to the Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in kind benefits provided to the Executive) during one year may not affect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. For purposes of this Section 18(j), Section 409A of the Code shall include all Treasury regulations and any other guidance promulgated thereunder or published with respect thereto.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement effective as of the Effective Date.

REIT:

SUN COMMUNITIES, INC.,
a Maryland corporation

By: /s/ Gary A. Shiffman
Name: Gary A. Shiffman
Title: Chief Executive Officer

SCOLP:

SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP, a Michigan limited partnership
By Sun Communities, Inc., a Maryland
corporation, its General Partner

By: /s/ Gary A. Shiffman
Name: Gary A. Shiffman
Title: Chief Executive Officer

EXECUTIVE:

/s/ John B. McLaren
JOHN B. McLAREN

SUN COMMUNITIES, INC.
EQUITY INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT

Sun Communities, Inc., a Maryland corporation (the “Company”), upon the recommendation of the Compensation Committee of the Company's Board of Directors and pursuant to that certain 2015 Equity Incentive Plan (the “Plan”) adopted by the Company's Board of Directors and approved by its shareholders on July 20, 2015, as amended, and in consideration of the services to be rendered to the Company or its subsidiaries by John B. McLaren (“Employee”), hereby grants and issues, as of November 6, 2024 (the “Date of Grant”), to Employee **fifty thousand (50,000)** shares of the Company's Common Stock, par value \$0.01 per share (the “Shares”), subject to the terms and conditions contained in this Restricted Stock Award Agreement (the “Agreement”) and subject to all the terms and conditions of the Plan, which are incorporated by reference herein. Employee agrees to the provisions set forth herein and in the Plan and acknowledges that each such provision is a material condition of the Company’s agreement to issue the Shares to Employee. All capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to such terms in the Plan.

I. RECEIPT AND DELIVERY OF SHARES

Until such time as the Shares vest in accordance with Section II below, the stock certificate or certificates evidencing the Shares shall be registered in the name of Employee but held in escrow by the Company. As soon as practicable after the date upon which any Shares vest, the Company shall deliver to Employee a certificate or certificates representing such vested Shares, registered in the name of Employee.

II. VESTING SCHEDULE

(a) Subject to the restrictions and conditions set forth in the Plan and subject to the other terms of this Agreement, **twenty thousand (20,000)** Shares shall be subject to vesting as set forth in Section II(b) below (the “Time Vesting Shares”) and the remaining **thirty thousand (30,000)** Shares shall be subject to vesting as set forth in Section II(c) below and the attached Exhibit A. (the “Performance Vesting Shares”). The parties agree that the Company will not grant Employee regular annual restricted stock awards in 2025 or 2026 for his service as President under the Employment Agreement (as defined below).

(b) The Time Vesting Shares shall vest as follows: (i) **four thousand (4,000)** of the Time Vesting Shares (representing 20% of the Time Vesting Shares) shall vest on November 6, 2025; (ii) **four thousand (4,000)** of the Time Vesting Shares (representing 20% of the Time Vesting Shares) shall vest on November 6, 2026; (iii) **four thousand (4,000)** of the Time Vesting Shares (representing 20% of the Time Vesting Shares) shall vest on November 6, 2027;

(iv) **four thousand (4,000)** of the Time Vesting Shares (representing 20% of the Time Vesting Shares) shall vest on November 6, 2028; and (v) **four thousand (4,000)** of the Time Vesting Shares (representing 20% of the Time Vesting Shares) shall vest on November 6, 2029, provided that Employee is employed by the Company or any of its affiliates on such dates.

(c) If the Market Performance Criteria (as defined below) for the measurement period is satisfied, up to **thirty thousand (30,000)** of the Performance Vesting Shares shall vest as set forth on the attached Exhibit A, provided that Employee is employed by the Company or any of its affiliates on the following vesting date:

Measurement Period

Vesting Date

January 1, 2025 to December 31, 2027

January 1, 2028

For purposes hereof, “Market Performance Criteria” shall mean the performance criteria relative to the Company’s common stock performance set forth on the attached Exhibit A.

(d) Subject to Section II (e) and Section II(f) below, in the event of Employee’s Separation of Service at any time for any reason, the vesting, exercisability and forfeiture of the Shares shall be subject to that certain Employment Agreement by and among the Company, Sun Communities Operating Limited Partnership and Employee dated effective as of November 6, 2024 (as it may be amended, restated, supplemented or replaced from time to time, the “Employment Agreement”).

(e) Subject to the Employee’s execution of a general release of claims in a form satisfactory to the Company, if at any time after the second anniversary of the Date of Grant the Employee terminates his employment with the Company (whether with or without Good Reason as defined in the Employment Agreement or any other employment or similar agreement between the Company and the Employee) because the individual to whom the Employee directly reports within the organizational structure of the Company has changed from the individual to whom the Employee directly reports as of the date of this Agreement, then, subject to the following sentence, all remaining unvested Time Vesting Shares (i) shall not automatically be forfeited on the termination date, shall remain outstanding until it is determined if any of them vest as provided below, and shall be eligible to receive dividends and other distributions payable with respect to such Shares during such period, and (ii) shall continue to vest in accordance with the schedule set forth in subsection II.(b) above. Notwithstanding anything to the contrary herein, if after a termination of his employment as contemplated by this paragraph the Employee breaches the non-competition provisions of the Employment Agreement or any other agreement between the Company and the Employee, then all unvested Time Vesting Shares shall be automatically forfeited to the Company and, accordingly, Employee shall forfeit all right, title and interest in and to such forfeited Time Vesting Shares without any further action required by

Employee. The date of any such breach of the non-competition provisions shall be the date the unvested Time Vesting Shares shall be forfeited to the Company, as determined in good faith by the Company's Board of Directors.

Notwithstanding anything to the contrary, the foregoing paragraph shall not apply if the Employee directly reports to the Company's Board of Directors as the principal executive officer of the Company.

(f) Subject to the Employee's execution of a general release of claims in a form satisfactory to the Company, if, at any time after the second anniversary of the Date of Grant, but prior to the end of the measurement period for the Market Performance Criteria, the Employee's employment with the Company is terminated for any reason other than a termination by the Company for Cause (as defined in the Employment Agreement), then (i) the Performance Vesting Shares shall not automatically be forfeited on the termination date, shall remain outstanding until it is determined if any Pro Rata Portion of the Performance Vesting Shares vest, and shall be eligible to receive dividends and other distributions payable with respect to such Shares during such period, and (ii) to the extent not already vested, a Pro Rata Portion of the Performance Vesting Shares shall vest on January 1, 2028. The "Pro Rata Portion" of the Performance Vesting Shares means (i) the total number of Performance Vesting Shares that would have vested based on the Market Performance Criteria if the Employee had remained employed by the Company for the entire Market Performance Criteria measurement period, multiplied by (ii) (A) the number of days between the Date of Grant and the termination date of the Employee's employment, divided by (B) the number of days between the Date of Grant and December 31, 2027.

III. RESTRICTIONS ON SHARES; CLAWBACK

Until a Share vests pursuant to Section II above, it shall not be liable for the debts, contracts or obligations of Employee nor be subject to disposition by assignment, transfer, sale, alienation, pledge, encumbrance or any other means, whether such disposition is voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or other legal or equitable proceeding (including bankruptcy), and any attempted disposition thereof shall be null and void and of no force or effect; provided, however, that this Section III does not prevent transfers by will or by the applicable laws of descent and distribution.

The Employee agrees that all of the Shares are subject to the Sun Communities, Inc. Executive Compensation Recovery (Clawback) Policy, as it may be amended, restated or supplemented from time to time (the "Clawback Policy"), and any similar clawback or compensation recovery policy that is in effect from time to time. Further, the Employee agrees to abide by the terms of the Clawback Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Clawback Policy) to the Company to the extent required by, and in a manner permitted by, the Clawback Policy.

IV. RIGHTS AS A STOCKHOLDER

Notwithstanding Section 9.06 of the Plan to the contrary, Employee shall be entitled to all of the rights of a stockholder with respect to the Shares, including the right to vote such Shares and to receive dividends and other distributions payable with respect to such Shares from and after the Date of Grant; provided that any securities or other property (but not cash) received in any such distribution with respect to any Shares that are still subject to the restrictions of Section II and III of this Agreement shall be subject to all of the restrictions in this Agreement with respect to such Shares.

V. REGISTRATION

Subject to the other terms and conditions of this Agreement, the Shares may be offered and sold by Employee only if such stock is registered for resale under the Securities Act of 1933, as amended (the "Securities Act"), or if an exemption from registration under the Securities Act is available. Employee acknowledges and agrees: (a) that the Company has no obligation to effect such registration; (b) not to offer or sell the Shares unless and until such stock is registered for resale under the Securities Act or an exemption from registration is available; and (c) that the Shares were acquired for his own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof.

VI. NO RIGHT TO EMPLOYMENT CONFERRED

Nothing in this Agreement or the Plan shall confer upon Employee any right to continue in employment with the Company or a subsidiary or interfere in any way with the right of the Company or any subsidiary to terminate such person's employment at any time.

VII. MISCELLANEOUS

(a) In accordance with the terms of the Plan, the Company is entitled to withhold (or secure payment from Employee in lieu of withholding) the amount of any withholding or other tax required by law to be withheld or paid by the Company with respect to the award or issuance of the Shares. Employee understands that the taxable income recognized by Employee as a result of the award of the Shares would be affected by a decision by Employee to make an election under Section 83(b) of the Internal Revenue Code of 1986, as amended (the "83(b) Election"), with respect to the Shares within thirty (30) days after the Date of Grant. Employee acknowledges and agrees that he will have the sole responsibility for determining whether to make an 83(b) Election with respect to the Shares and for properly making such election and filing such election with the relevant taxing authorities on a timely basis.

(b) If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall continue to be in full force and effect to the maximum extent permitted by law.

If the implementation or presence of any provision of this Agreement would or will cause the Plan and thereby the Shares purchased thereunder to not be in compliance with Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or any other statutory provision, such Agreement provision shall not be implemented or, at the Company's option following notice, such provision shall be severed from the Agreement as is appropriate or necessary to achieve statutory compliance; provided, however, that the parties hereby agree to negotiate in good faith as may be necessary to modify this Agreement to achieve statutory compliance or otherwise effectuate the intent of the parties following a severance permitted by this Section VII(b).

(c) The number and kind of Shares shall be appropriately adjusted to reflect any stock dividend, stock split, combination or exchange of shares, or other change in capitalization with a similar substantive effect upon such Shares. The Administrator shall have the power to determine the amount of the adjustment to be made in each case.

(d) Any notice required to be given hereunder to the Company shall be addressed to the Chief Financial Officer, Sun Communities, Inc., 27777 Franklin Road, Suite 300, Southfield, Michigan 48034, and any notice required to be given to Employee shall be sent to Employee's address as shown on the records of the Company.

(e) In the event of an inconsistency between this Agreement and the Employment Agreement or any other agreement between the Company and the Employee, this Agreement shall control.

(f) This instrument contains the entire Agreement of the parties and may only be amended by written agreement executed by the parties hereto.

(g) This Agreement is made and entered into in, and shall be construed and enforced in accordance with the laws of, the State of Michigan.

[Signatures on following page]

IN WITNESS WHEREOF, this Restricted Stock Award Agreement is hereby executed effective as of the Date of Grant.

“COMPANY”

SUN COMMUNITIES, INC., a Maryland corporation

By: /s/ Gary A. Shiffman

Gary A. Shiffman, Chief Executive Officer

“EMPLOYEE”

/s/ John B. McLaren

JOHN B. McLAREN



Source: Sun Communities, Inc.

November 06, 2024 16:14 ET

Sun Communities, Inc. Announces Restructuring and CEO Retirement

Implementing Comprehensive Restructuring and Cost Cutting Plan Expected to Save \$15 - \$20 million annually; John McLaren to Return to Company as President; CEO Gary Shiffman to Retire in 2025

Southfield, MI, Nov. 06, 2024 (GLOBE NEWSWIRE) -- Sun Communities, Inc. (NYSE: SUI) (the "Company"), a real estate investment trust ("REIT") that owns and operates, or has an interest in, manufactured housing ("MH") and recreational vehicle ("RV") communities and marinas, today provided the following update:

Restructuring and Cost Cutting Plan

The Company is announcing a comprehensive restructuring effort to more effectively align the Company's cost structure and deliver sustainable earnings growth. The Company is proactively addressing its challenges and is implementing a plan to unlock the value and earnings potential of the Company. The Company has been considering and studying many of these cost saving initiatives throughout this year and is now accelerating their implementation and expanding the scope of the restructuring.

The cost reduction measures include better operating expense management and the implementation of identified efficiencies and savings to the Company's cost base heading into 2025 to position the business for long-term growth. It is expected that these will be achieved primarily through initiatives such as restructuring the Company's operational infrastructure, streamlining and optimizing information technology, implementing more effective asset management, payroll savings, and other targeted cost cutting. The Company has identified and intends to realize annualized G&A and operating expense savings of between \$15 million and \$20 million on a run-rate basis from the restructuring.

John McLaren Returning as President

John McLaren is returning to the Company full-time as President to oversee the restructuring and the execution of these initiatives. Mr. McLaren has been with Sun for 22 years and was Chief Operating Officer for 14 years through mid-2022. During his time as COO, John oversaw the acquisition and integration of approximately 350 MH and RV communities and brought a performance driven approach with a focus on bottom-line operational results.

"Progress has been made this year in advancing our strategic initiatives including selling non-strategic assets, reducing debt, and increasing the revenue contribution from annual real property income," said Gary Shiffman, Chairman and CEO. "However, more can and will be done. These proposed changes have been planned for throughout the year and we are accelerating the implementation in the context of our disappointing third quarter performance. We are redoubling our efforts on all fronts, focusing on variable and fixed costs, capital recycling, and debt reduction, with the aim of establishing a sustainable and efficient cost structure and growth trajectory given the continued strong rental rate increases we anticipate in 2025."

CEO Announces Retirement

Gary Shiffman has informed the Board of his intention to retire in 2025, following over 40 years of dedicated service to the Company and its stakeholders. The Board of Directors has a committee in

place, led by independent Board members Jeff Blau, CEO of Related Companies, and Tonya Allen, President of the McKnight Foundation, to conduct a comprehensive search process to identify a new CEO. Mr. Shiffman intends to remain on the Board of Directors.

"As part of our comprehensive succession plan, Gary's retirement will result in a refreshed perspective to take the Company forward and build upon his transformative vision," said Clunet Lewis, Sun Communities' Lead Independent Director. "Under Gary's leadership, the Company went public in 1993 with an initial market capitalization of approximately \$115 million as a small, manufactured housing REIT with 31 communities, and has evolved into the leading owner and operator of Manufactured Housing, Recreational Vehicle communities, and Marinas with over 650 properties in the United States, Canada and the United Kingdom. We look forward to working with Gary to implement a seamless CEO transition."

Cautionary Statement Regarding Forward Looking Statements:

This press release contains various "forward-looking statements" within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the Company intends that such forward-looking statements will be subject to the safe harbors created thereby. Forward-looking statements can be identified by words such as "will," "may," "could," "expect," "anticipate," "believes," "intends," "should," "plans," "estimates," "approximate," "guidance," and similar expressions in this press release that predict or indicate future events and trends and that do not report historical matters.

These forward-looking statements reflect the Company's current views with respect to future events and financial performance, but involve known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control. These risks, uncertainties, and other factors may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include national, regional and local economic climates; risks related to natural disasters, such as hurricanes, earthquakes, floods, droughts and wildfires; existing or potential supply chain disruptions; wars and other international conflicts; difficulties in the Company's ability to evaluate, finance, complete and integrate acquisitions, developments and expansions successfully; the ability to maintain rental rates and occupancy levels; competitive market forces; the performance of recent acquisitions; changes in market rates of interest; changes in foreign currency exchange rates; the ability of purchasers of manufactured homes and boats to obtain financing; and the level of repossessions by manufactured home and boat lenders. Further details of potential risks that may affect the Company are described in the Company's periodic reports filed with the U.S. Securities and Exchange Commission, including in the "Risk Factors" sections of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The forward-looking statements contained in this press release speak only as of the date hereof. The Company undertakes no obligation to publicly update or revise any forward-looking statements included or incorporated by reference into this document, whether as a result of new information, future events, changes in the Company's expectations or otherwise, except as required by law.

About Sun Communities, Inc.

Sun Communities, Inc. is a REIT that, as of September 30, 2024, owned, operated, or had an interest in a portfolio of 659 developed properties comprising approximately 179,130 developed sites and approximately 48,760 wet slips and dry storage spaces in the United States, Canada, and the United Kingdom.

For Further Information at the Company:

Fernando Castro-Caratini
Chief Financial Officer
(248) 208-2500
www.suninc.com



Sun Communities, Inc.

CEO Succession Planning Committee Charter

General Statement of Purpose

The purpose of the CEO Succession Planning Committee (the “Committee”) of the Board of Directors (the “Board”) of Sun Communities, Inc. (the “Company”) is to assist the Board in succession planning for the position of chief executive officer (the “CEO”) of the Company.

Composition

The number of individuals serving on the Committee shall be fixed by the Board from time to time but shall consist of no fewer than three members, each of whom shall satisfy the independence standards established by the New York Stock Exchange Listed Company Manual for listing on the exchange. The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee of the Board. Committee members may be replaced or removed by the Board at any time with or without cause. Resignation or removal of a member of the Committee from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Committee. Vacancies occurring on the Committee, for whatever reason, may be filled by the Board.

The Board shall designate one or more members of the Committee to serve as Chair or Co-Chairs of the Committee.

Meetings

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities. The Chair, in consultation with the other Committee members, will determine the frequency and length of the meetings and will set agendas consistent with this Charter. The Chair may consult with management in the process of establishing agendas for Committee meetings. Such meetings shall be in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting. Unless otherwise provided herein, all actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present. In lieu of a meeting, the Committee may act by unanimous written consent.

Responsibilities and Authority

In furtherance of the Committee’s purposes, the Committee shall have the following authorities and responsibilities:

- a. **CEO Succession Planning**
 - i. Plan generally for the orderly transition of the CEO role upon the eventual retirement of the current CEO.
 - ii. In collaboration with the Company’s Chairman and CEO, develop a candidate profile (including experience, competencies and personal characteristics) to meet the leadership needs of the Company, taking into account the Company’s strategic plans and other relevant factors.

- iii. Assist the Board in identifying, evaluating and retaining a successor CEO of the Company. Without limiting the authorities of the Committee generally, the Committee is authorized to engage one or more outside search firms to provide assistance with respect thereto.
 - iv. Otherwise assist in effectively implementing a CEO succession plan pursuant to the Company's Corporate Governance Guidelines.
- b. **Emergency Succession Planning** The Committee shall assist the Board in implementing the Company's emergency succession plans in the event of an unanticipated CEO vacancy.
 - c. **Performance Evaluation of the Committee** The Committee periodically shall evaluate its own performance and composition and report the results of such evaluation to the Board.
 - d. **Other Delegated Duties and Responsibilities** The Committee shall perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's CEO succession planning.

Other Provisions

- a. The Committee shall make regular reports to the Board concerning areas of the Committee's responsibilities hereunder.
- b. The Committee shall review and assess the adequacy of this Charter from time to time and recommend any proposed changes to the Board for approval.
- c. In carrying out its responsibilities, the Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Committee may consult. The Committee is authorized to request that any officer or employee of the Company, the Company's outside legal counsel or any other professional retained by the Company to render advice to the Company attend a meeting of the Committee or meet with any members of or advisors to the Committee. The Committee may engage independent counsel and such other advisors it deems necessary to carry out its responsibilities and powers, and, if such counsel or other advisors are engaged, shall determine the compensation or fees payable to such counsel or other advisors.

In connection with its foregoing responsibilities, the Committee shall present its recommendations to the Board based on the conclusions of its review at such time as the Committee deems appropriate (it being understood for the avoidance of doubt that Committee members may share their views and recommendations to the Board regarding matters that may be considered in furtherance of the Committee's purposes).

Adopted November 5, 2024