FORM 10-K

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

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM ---------- TO ----------

Commission File No. 1-12616

SUN COMMUNITIES, INC.
(Exact name of registrant as specified in its charter)

STATE OF MARYLAND	38-2730780
State of Incorporation	I.R.S. Employer I.D. No.

31700 MIDDLEBELT ROAD
SUITE 145
FARMINGTON HILLS, MICHIGAN 48334
(810) 932-3100
(Address of principal executive offices and telephone number)

Securities Registered Pursuant to Section 12(b) of the Act:
COMMON STOCK, PAR VALUE $.01 PER SHARE

Securities Registered Pursuant to Section 12(g) of the Act:
NONE

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

[X]

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

As of March 3, 1997, the aggregate market value of the Registrant's voting stock held by non-affiliates of the Registrant was approximately $475,000,000 determined in accordance with the highest price at which the stock was sold on such date as reported by the New York Stock Exchange.

As of March 3, 1997, there were 15,697,365 shares of the Registrant's common stock issued and outstanding.

PART I

ITEM 1. BUSINESS

GENERAL

Sun Communities, Inc. (the "Company") owns and operates manufactured housing communities concentrated in the midwestern and southeastern United States. The Company is a fully integrated real estate company which, together with its affiliates and predecessors, has been in the business of acquiring, operating and expanding manufactured housing communities since 1975. As of March 1, 1997, the Company owned and managed a portfolio of 83 manufactured housing community properties (the "Properties") located in 12 states. The Properties contain an aggregate of 29,500 developed sites and approximately 3,500 sites suitable for development. In order to enhance property performance and cash flow, the Company, through Sun Home Services, Inc., a Michigan corporation ("Home Services"), actively markets and sells new and used manufactured homes for placement in the Properties.

The Company expects to qualify and has made an election to be taxed as a REIT for federal income tax purposes commencing with the calendar year beginning January 1, 1994, and will be self-administered and self-managed.

The Company's executive and principal property management office is located at 31700 Middlebelt Road, Suite 145, Farmington Hills, Michigan 48334 and its telephone number is (810) 932-3100. The Company has regional property management offices located in Elkhart, Indiana and Tampa, Florida. The Company, which is a Maryland corporation, employed 437 people as of March 1, 1997.

HISTORY OF THE COMPANY

The immediate predecessor to Sun Communities, Inc. was incorporated in January 1985 to continue and expand the business of acquiring, owning and operating manufactured housing communities that was originally started in 1975. Since its inception, the Company's strategy has been to acquire and in many cases expand or renovate existing manufactured housing communities. The Company has maintained this strategy because it believes attractive investment returns can be obtained by purchasing existing properties with expansion potential.

MAJOR ACQUISITION

On May 1, 1996, the Company, through Sun Communities Operating Limited Partnership, a Michigan limited partnership (the "Operating Partnership"), and a wholly-owned subsidiary, Sun GP L.L.C., a Michigan limited liability company ("GP"), acquired 25 manufactured housing communities (the "Aspen Properties") from affiliates of Aspen Enterprises, Ltd., (collectively, "Aspen") for a purchase price of $226.0 million (excluding related transaction costs). The Aspen Properties are located primarily in Florida and Michigan and, as of March 1, 1997, contained a total of 10,367 developed sites and approximately 286 sites suitable for development.

Of the $226.0 million purchase price for the Aspen Properties, $4.2 million was issued in the form of limited partnership interests in the Operating Partnership (the "Common OP Units"), and $35.8 million was issued in the form of convertible preferred units in the Operating Partnership (the "Preferred OP Units"). Both the Common OP Units and the Preferred OP Units were issued to Aspen affiliates, including certain former Aspen employees who became employees of the Company upon the closing of the acquisition of the Aspen Properties. For tax and other purposes, the Company acquired 100% of the partnership interests in certain Aspen Properties rather than directly acquiring such properties.

The 1,325,275 Preferred OP Units represent equity interests in the Operating Partnership and have the effect of increasing the minority interest reflected on the Company's consolidated financial

statements. The issue price of the Preferred OP Units was $27 per unit (the "Issue Price"). The Preferred OP Units are entitled to a fixed quarterly distribution equal to 7.00% per annum of the Issue Price, which distribution is payable by the Operating Partnership prior to any distributions to its other general or limited partners, including distributions in respect of the shares of the Company's common stock (the "Common Stock"). To the extent the Company issues additional preferred securities, payment of distributions for such preferred securities must rank pari passu or junior to distribution payments on the Preferred OP Units. The distributions payable to holders of Preferred OP Units will not increase to the extent the Operating Partnership increases the distributions to its other partners.

In June 2002, the Preferred OP Units will be convertible into Common OP Units or redeemable for cash at the Issue Price, at the option of the holder. If converted, holders of Preferred OP Units will receive a number of Common OP Units that will give them the benefit of: (i) 100% of the first $4.50 per share increase in the average closing price of the shares of Common Stock for the ten business days prior to conversion (the "Conversion Date Price") over the Issue Price; (ii) none of the increase in the Conversion Date Price over the Issue Price to the extent such difference is greater than $4.50 per share but less than $9.00 per share; and (iii) 25% of the increase in the Conversion Date Price over the Issue Price to the extent such difference exceeds $9.00 per share. The Company structured this conversion formula to encourage holders of the Preferred OP Units to convert, rather than redeem, their units to the extent the market price of the Common Stock increases by June 2002. If the Company fails to make any Preferred OP Unit distribution payment within 20 days of its due date, the Company's redemption obligation is subject to acceleration by the holders of the Preferred OP Units.

The Company's obligation to redeem the Preferred OP Units is currently unsecured. If the Company and Aspen do not agree upon appropriate security for the Company's obligation to redeem the Preferred OP Units and the Company (i) does not maintain an investment-grade credit rating for the Company's unsecured debt for any consecutive 60-day period or (ii) issues additional equity securities that do not rank junior to the Preferred OP Units, the Company's obligation to redeem the Preferred OP Units can be accelerated by the holders of the Preferred OP Units. The Company has continuously maintained an investment-grade credit rating for the Company's unsecured debt since the issuance of the Preferred OP Units.

The acquisition of the Aspen Properties was funded by utilizing a portion of the proceeds of the offering of 4,700,000 shares of the Common Stock that closed on April 8, 1996, and, through the Operating Partnership, a $150 million debt offering of investment-grade, senior unsecured notes that closed on April 29, 1996.

STRUCTURE OF THE COMPANY

The operations of the Company are carried on through certain subsidiaries (the "Subsidiaries"), including the Operating Partnership, which, among other things, enables the Company to comply with certain complex requirements under the Federal tax rules and regulations applicable to REITs. The Company established the Operating Partnership to allow the Company to acquire manufactured housing communities in transactions that defer some or all of the sellers' tax consequences. Substantially all of the Company's assets are held by or through the Operating Partnership, of which the Company is the sole general partner, and wholly-owned subsidiaries of the Company. In addition to the Operating Partnership, the Subsidiaries include Home Services, which provides manufactured home sales and brokerage services to current and prospective tenants of the Properties. The Operating Partnership owns 100% of the non-voting preferred stock of Home Services, which entitles the Operating Partnership to 95% of the cash flow from operating activities of Home Services. As of March 1, 1997, the voting common stock of Home Services was owned by Milton M. Shiffman, Gary A. Shiffman and Jeffrey P. Jorissen, executive officers of the Company, entitling them to the remaining 5% of such cash flow from operating activities. Sun Water Oak Golf, Inc. ("Sun Golf") is a wholly-owned subsidiary of Home Services. Sun Golf was organized to own and operate the golf course, restaurant and related facilities located on the Water Oak Property that were acquired in November 1994.

THE MANUFACTURED HOUSING COMMUNITY INDUSTRY

A manufactured housing community is a residential subdivision designed and improved with sites for the placement of manufactured homes and related improvements and amenities. Manufactured homes are detached, single-family homes which are produced off-site by manufacturers and installed on sites within the community. Manufactured homes are available in a wide array of designs, providing owners with a level of customization generally unavailable in other forms of multi-family housing.

Modern manufactured housing communities, such as the Properties, contain improvements similar to other garden-style residential developments, including centralized entrances, paved streets, curbs and gutters, and parkways. In addition, these communities also often provide a number of amenities, such as a clubhouse, a swimming pool, shuffleboard courts, tennis courts, laundry facilities and cable television service.

The owner of each home in the Company's communities leases the site on which the home is located. The Company owns the underlying land, utility connections, streets, lighting, driveways, common area amenities and other capital improvements and is responsible for enforcement of community guidelines and maintenance. Some communities provide water and sewer service through public or private utilities, while others provide these services to residents from on-site facilities. Each owner within the Company's communities is responsible for the maintenance of his home and leased site. As a result, capital expenditure needs tend to be less significant, relative to multi-family rental apartment complexes.

PROPERTY MANAGEMENT

The Company's property management strategy emphasizes intensive, hands-on management by dedicated, on-site property managers. The Company believes that this on-site focus enables it to continually monitor and address tenant concerns, the performance of competitive properties and local market conditions. Of the Company's 437 employees, 396 are located on-site as property managers, support staff, or maintenance personnel.

The Company's property managers are overseen by Brian W. Fannon, Senior Vice President and Chief Operating Officer, who has 27 years of property management experience, three Vice Presidents and eight Regional Property Managers. In addition, the Regional Property Managers are responsible for semi-annual market surveys of competitive parks, interaction with local manufactured home dealers and regular property inspections.

Each property manager performs regular inspections in order to continually monitor the property's physical condition and provides managers with the opportunity to understand and effectively address tenant concerns. In addition to a property manager, each property has an on-site maintenance person and management support staff. The Company holds periodic training sessions for all property management personnel to ensure that management policies are implemented effectively and professionally.

BROKERAGE AND HOME SALES

Home Services offers manufactured home brokerage and sales services to tenants and prospective tenants in the Company's communities. Since tenants often purchase a home already on-site within a community, such services enhance occupancy and property performance. Additionally, since many of the homes in the Properties are sold through Home Services, better control of home quality in the Company's communities can be maintained than if brokerage and sales services were conducted solely through third-party brokers.

COMPETITION

All of the Properties are located in developed areas that include other manufactured housing community properties. The number of competitive manufactured housing community properties in a particular area could have a material effect on the Company's ability to lease sites and on rents charged at the Properties or at any newly acquired properties. The Company may be competing with others that have greater resources than the Company and whose officers and directors have more experience than the Company's officers and directors. In addition, other forms of multi-family residential properties, such as private and federally funded or assisted multi-family housing and single-family housing, provide housing alternatives to potential tenants of manufactured housing communities.

REGULATIONS AND INSURANCE

General. Manufactured housing community properties are subject to various laws, ordinances and regulations, including regulations relating to recreational facilities such as swimming pools, clubhouses and other common areas. The Company believes that each Property has the necessary operating permits and approvals.

Americans with Disabilities Act ("ADA"). The Properties and any newly acquired manufactured housing communities must comply with the ADA. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that public facilities such as clubhouses, pools and recreation areas be made accessible to people with disabilities. Compliance with ADA requirements could require removal of access barriers and other capital improvements at the Company's properties. Noncompliance could result in imposition of fines or an award of damages to private litigants. The Company does not believe the ADA will have a material adverse impact on the Company's results of operations. If required property improvements involve a greater expenditure than the Company currently anticipates, or if the improvements must be made on a more accelerated basis than it anticipates, the Company's ability to make expected distributions could be adversely affected. The Company believes that its competitors face similar costs to comply with the requirements of the ADA.

Rent Control Legislation. State and local rent control laws in certain jurisdictions limit the Company's ability to increase rents and to recover increases in operating expenses and the costs of capital improvements. Enactment of such laws has been considered from time to time in other jurisdictions. The Company presently expects to continue to operate manufactured housing community properties, and may purchase additional properties, in markets that are either subject to rent control or in which rent-limiting legislation exists or may be enacted. For example, 25 of the Properties are located in Florida, which has enacted a law which provides that a majority of tenants in a manufactured housing community may require that a proposed increase in site rental rates, reduction in services or utilities or change in the community's rules and regulations be submitted for formal mediation or arbitration if they believe that the proposal is unreasonable.

Insurance. Management believes that the Properties are covered by adequate fire, flood, property and business interruption insurance provided by reputable companies and with commercially reasonable deductibles and limits. The Company maintains a blanket policy that covers all of the Properties. The Company has obtained title insurance insuring fee title to the Properties in an aggregate amount which the Company believes to be adequate.

ITEM 2. PROPERTIES

General. As of March 1, 1997, the Properties consisted of 83 manufactured housing communities concentrated in 12 states in the midwestern and southeastern United States, containing 29,500 developed sites and approximately 3,500 sites suitable for development. Most of the Properties include amenities oriented towards family and retirement living. Of the 83 Properties, 67 have more than 200 sites, with the largest having 1,272 sites.

The Properties had an aggregate occupancy rate of 95% as of December 31, 1996, excluding seasonal RV sites. Since January 1, 1996, the Properties have averaged an aggregate annual turnover of homes (where the home is moved out of the community) of approximately 3% and an average annual turnover of residents (where the home is sold and remains within the community, typically without interruption of rental income) of approximately 9%.

The Company believes that its Properties' high amenity levels contribute to low turnover and generally high occupancy rates. All of the Properties provide residents with attractive amenities with most offering a clubhouse, a swimming pool, laundry facilities and cable television service. Many Properties offer additional amenities such as sauna/whirlpool spas, tennis, shuffleboard and basketball courts and/or exercise rooms.

The Company has sought to concentrate its communities within certain geographic areas in order to achieve economies of scale in management and operation. Except for three Properties located in Texas, the Properties are located in the midwestern and southeastern United States. The Company has identified Florida as a key market in which to expand its existing operations in the southeast because of Florida's stable tenant base, relatively low cost of living and attractive acquisition opportunities. Additionally, the Company's midwestern operations serve as a source of prospective tenants for the Florida Properties, which are generally oriented towards retirement living.

The following table sets forth certain information relating to the Properties owned as of March 1, 1997:

PROPERTY AND LOCATION	DEVELOPED SITES AS OF 12/31/96 (1)	OCCUPANCY AS OF 12/31/94 (1)	OCCUPANCY AS OF 12/31/95 (1)	OCCUPANCY AS OF 12/31/96 (1)
MIDWEST				
MICHIGAN				
Allendale				
Allendale, MI	223	98%	96%	97%
Alpine				
Grand Rapids, MI	381	99%	96%	99%
Bedford Hills				
Battle Creek, MI	340	95%	94%	94%
Brentwood				
Kentwood, MI	197	98%	97%	99%
Creekwood				
Burton, MI (2)	0	---	---	---
Byron Center				
Byron Center, MI	143	96%	92%	97%
Candlewick Court				
Owosso, MI	211	99%	100%	99%
College Park Estates				
Canton, MI	230	98%	98%	99%
Continental Estates				
Davison, MI	386	(3)	(3)	93%
Continental North				
Davison, MI	334	(3)	(3)	95%
Country Acres				
Cadillac, MI	182	98%	98%	98%
Country Meadows				
Flat Rock, MI	489	87%	99%	99%
Countryside Village				
Perry, MI	359	96%	99%	96%
Cutler Estates				
Grand Rapids, MI	281	97%	96%	98%
Davison East				
Davison, MI	190	(3)	(3)	99%
Fisherman's Cove				
Flint, MI	162	99%	98%	97%
Grand				
Grand Rapids, MI	312	97%	95%	98%
Hamlin				
Webberville, MI	146	100%	99%	100%
Kensington Meadows				
Lansing, MI	206	(4)	94%	67% (6)
Kings Court				
Traverse City, MI	588	93%	94%	92% (6)
Lincoln Estates				
Holland, MI	191	98%	98%	97%
Maple Grove Estates				
Dorr, MI	46	100%	100%	100%
Meadow Lake Estates				
White Lake, MI	425	98%	97%	100%
Meadowbrook Estates				
Monroe, MI	453	100%	100%	100%

PROPERTY AND LOCATION	DEVELOPED SITES AS OF 12/31/96 (1)	OCCUPANCY AS OF 12/31/94 (1)	OCCUPANCY AS OF 12/31/95 (1)	OCCUPANCY AS OF 12/31/96 (1)
Meadowstream Village				
Sodus, MI.....	159	99%	98%	99%
Parkwood				
Grand Blanc, MI.....	250	97%	96%	97%
Presidential				
Hudsonville, MI.....	326	98%	96%	98%
Scio Farms				
Ann Arbor, MI.....	913	(4)	100%	99%
Sherman Oaks				
Jackson, MI.....	366	92%	100%	99%
Timberline Estates				
Grand Rapids, MI.....	296	99%	98%	100%
Town & Country				
Traverse City, MI.....	192	100%	98%	100%
Michigan Total.....	8,977	97%	97%	98%
INDIANA				
Brookside Village				
Goshen, IN.....	338	99%	99%	99%
Carrington Pointe				
Ft. Wayne, IN.....	170	(5)	(5)	(5)
Clear Water Village				
South Bend, IN.....	162	98%	93%	97%
Cobus Green				
Elkhart, IN.....	386	94%	98%	98%
Holiday Village				
Elkhart, IN.....	326	96%	98%	99%
Liberty Farms				
Valparaiso, IN.....	220	96%	100%	92%(6)
Maplewood				
Lawrence, IN.....	207	95%	97%	99%
Meadows				
Nappanee, IN.....	330	93%	96%	98%
Meadowbrook				
Indianapolis, IN.....	343	94%	96%	98%
Pine Hills				
Middlebury, IN.....	126	98%	99%	96%
Timberbrook				
Bristol, IN.....	567	92%	84%	88% (6)
Valley Mills				
Indianapolis, IN.....	357	97%	99%	98%
West Glen Village				
Indianapolis, IN.....	552	99%	99%	99%
Woods Edge				
West Lafayette, IN....	430	97%	92%	99%
Indiana Total.....	4,514	96%	96%	97%
OTHER				
Branch Creek Estates				
Austin, TX.....	321	(4)	98%	94% (6)
Candlelight				
Chicago Heights, IL...	309	97%	93%	95%
Catalina Community				
Middletown, OH.....	462	99%	98%	99%
Chisholm Point Estates				
Pflugerville, TX.....	405	(4)	98%	83% (6)

PROPERTY AND LOCATION	DEVELOPED SITES AS OF 12/31/96 (1)	OCCUPANCY AS OF 12/31/94 (1)	OCCUPANCY AS OF 12/31/95 (1)	OCCUPANCY AS OF 12/31/96 (1)
Douglas				
Atlanta, GA.....	204	74%	89%	95%
Edwardsville				
Edwardsville, KS.....	597	82%	90%	93%
Flagview				
Atlanta, GA.....	196	75%	93%	98%
Four Seasons				
Ankeny, IA.....	400	100%	100%	98%
Paradise				
Chicago Heights, IL..	278	99%	99%	98%
Pine Ridge				
Petersburg, VA.....	245	98%	100%	98%
Pin Oak Parc				
O'Fallon, MO.....	380	98%	99%	99%
Snow to Sun				
Weslaco, TX.....	497	(5)	(5)	(5)
Timber Ridge				
Ft. Collins, CO.....	582	99%	100%	100%
Worthington Arms				
Delaware, OH.....	224	98%	99%	100%
Other Total.....	5,100	96%	97%	96%
SOUTHEAST				
FLORIDA				
Arbor Terrace				
Bradenton, FL.....	213	100%	100%	100%
Ariana Village				
Lakeland, FL.....	210	72% (7)	72% (7)	78% (7)
Bonita Lake				
Bonita Springs, FL...	65	100%	100%	100%
Breezy Hills				
Pompano Beach, FL....	578	100%	100%	99%
Chain O'Lakes				
Grand Island, FL.....	325	92%	97%	95%
Golden Lakes				
Plant City, FL.....	426	93%	91%	92%
Indian Creek				
Ft. Myers Beach, FL..	1272	100%	100%	100%
Island Lakes				
Merritt Island, FL...	301	(4)	100%	100%
Kings Lake				
Debary, FL.....	245	53% (7)	62% (7)	66% (7)
Kings Pointe				
Winter Haven, FL.....	229	39% (7)	43% (7)	48% (7)
Kissimmee Gardens				
Kissimmee, FL.....	239	100%	99%	100%
Lake Juliana				
Auburndale, FL.....	293	52% (7)	54% (7)	57% (7)
Lake San Marino				
Naples, FL.....	272	100%	100%	100%
Leesburg Landing				
Lake County, FL.....	94	(3)	(3)	54% (7)
Meadowbrook Village				
Tampa, FL.....	257	95%	100%	97%

PROPERTY AND LOCATION	DEVELOPED SITES AS OF 12/31/96 (1)	OCCUPANCY AS OF 12/31/94 (1)	OCCUPANCY AS OF 12/31/95 (1)	OCCUPANCY AS OF 12/31/96 (1)
Orange Tree				
Orange City, FL.....	246	76% (7)	78% (7)	83% (7)
Plantation Manor				
Ft. Pierce, FL.....	376	97%	95%	97%
Pleasure Cove				
Ft. Pierce, FL.....	209	98%	95%	95%
Royal Country				
Miami, FL.....	863	100%	100%	99%
Saddle Oak Club				
Ocala, FL.....	376	(4)	98%	100%
Siesta Bay				
Ft. Myers Beach, FL...	703	100%	100%	100%
Silver Star				
Orlando, FL.....	426	98%	96%	96%
Tallowwood				
Coconut Creek, FL.....	279	62%	62%	63%
Water Oak Country Club Estates				
Lady Lake, FL.....	688	100%	100%	100%
Whispering Palm				
Sebastian, FL.....	428	100%	100%	96%
Florida Total.....	9,613	88%	89%	93%
TOTAL/AVERAGE.....	28,204	93%	93%	95%

(1) Excludes 1,223 seasonal RV Sites owned at December 31, 1996, which are leased during the season.

(2) This Property is owned by a joint venture in which the Operating Partnership has a 50% interest.

(3) Acquired in 1996.

(4) Acquired in 1995.

(5) Acquired in 1997.

(6) Occupancy in these communities reflects the recent development of sites which are in their initial lease-up phase.

(7) Occupancy in these communities reflects the fact that these communities are in their initial lease-up phase.

Leases. The typical lease entered into between a tenant and the Company for the rental of a site is month-to-month or year-to-year, renewable upon the consent of both parties, or, in some instances, as provided by statute. In some cases, leases are for one-year terms, with up to ten renewal options exercisable by the tenant, with rent adjusted for increases in the consumer price index. These leases are cancelable for non-payment of rent, violation of community rules and regulations or other specified defaults. See "Regulations and Insurance."

ITEM 3. LEGAL PROCEEDINGS

Certain partnerships which previously owned twenty-four of the Properties (the "Sun Partnerships") were involved in a variety of legal proceedings arising in the ordinary course of business prior to the transfer of the Properties to the Operating Partnership, and the Company has become a successor party-in-interest to these proceedings as a result of the contribution of the Properties to the Company, as well as other proceedings that have arose in the ordinary course of

operating the Properties. All such proceedings, taken together, are not expected to have a material adverse impact on the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the Company's security holders during the fourth quarter of the fiscal year covered by this report.

PART II

ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock has been listed on the New York Stock Exchange ("NYSE") since December 8, 1993 under the symbol "SUI." On March 3, 1997, the closing sales price of the Common Stock was $32 1/8 and the Common Stock was held by approximately 1,213 holders of record. The following table sets forth the high and low closing sales prices per share for the Common Stock for the periods indicated as reported by the NYSE and the distributions paid by the Company with respect to each such period.

	High	Low	Distribution
FISCAL YEAR ENDED DECEMBER 31, 1995			
First Quarter of 1995.....	23 1/8	21 1/8	.445
Second Quarter of 1995.....	25	21 1/8	.445
Third Quarter of 1995.....	26	24 1/4	.445
Fourth Quarter of 1995.....	26 3/8	24 5/8	.445
FISCAL YEAR ENDED DECEMBER 31, 1996			
First Quarter of 1996.....	27 5/8	25 1/4	.455
Second Quarter of 1996.....	27 3/8	24 7/8	.455
Third Quarter of 1996.....	29	25 5/8	.455
Fourth Quarter of 1996.....	34 3/4	28 1/8	.455

ITEM 6. SELECTED FINANCIAL DATA

SUN COMMUNITIES, INC. AND PREDECESSOR BUSINESS

	YEAR ENDED DECEMBER 31,(2)				
	1996	1995	1994	1993	1992
	(IN THOUSANDS EXCEPT OTHER DATA AND PROPERTY DATA)				
OPERATING DATA:					
Revenues:					
Rental income	$69,849	$42,909	$30,461	$14,222	$12,989
Other income	3,350	2,203	1,882	199	199
Total revenues	73,199	45,112	32,343	14,421	13,188
Expenses:					
Property operating and maintenance	15,970	9,838	7,404	3,222	2,995
Real estate taxes	5,654	2,981	2,167	1,024	980
General and administrative	3,458	2,535	2,005	893	764
Depreciation and amortization	14,887	9,747	6,949	2,611	2,655
Interest	11,277	6,420	4,894	5,280	5,522
Predecessor business expenses	-	-	-	1,315	-
Total expenses	51,246	31,521	23,419	14,345	12,916
Income (loss) of predecessor business					$272
Income before extraordinary item/minority interests/predecessor business	21,953	13,591	8,924	76	
Extraordinary item, early extinguishment of debt	(6,896)	-	-	-	
Income before allocation to minority interests/predecessor business	15,057	13,591	8,924	76	
Income (loss) allocated to minority interests/predecessor business, net	3,353	1,930	1,138	(212)	
Net income	$11,704	$11,661	$7,786	$288	
Net income per weighted average share	$.85	$1.19	$1.05	$.05	
Weighted average common shares outstanding	13,733	9,792	7,416	5,326	
Distribution per common share(1)	$1.81	$1.335	$1.78	$.077	
OTHER DATA:					
Total properties (at end of period)	81	52	46	31	24
Total sites (at end of period)	28,785	16,888	14,318	9,036	6,349
BALANCE SHEET DATA:					
Rental property, before accumulated depreciation	$588,813	$326,613	$257,030	$148,668	$74,145
Total assets	$585,056	$325,104	$267,370	$157,462	$62,978
Total debt	$185,000	$107,055	$62,931	$46,413	$60,629
Predecessor Business equity (deficit)	_	_	_	_	$(275)
Stockholders' equity	$300,932	$177,593	$174,978	$92,985	_

(1) The distribution of $.445 per share for the fourth quarter of 1995 was declared and paid in January, 1996, and accordingly is not included in the $1.335.

(2) See the Consolidated Financial Statements of the Company included elsewhere herein.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The following discussion and analysis of the consolidated financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements and notes thereto.

RESULTS OF OPERATIONS

Comparison of year ended December 31, 1996 to year ended December 31, 1995

For the year ended December 31, 1996, income before extraordinary item and minority interests increased by $8.4 million from $13.6 million to $22.0 million, when compared to the year ended December 31, 1995. The increase was due to increased revenues of $28.1 million while expenses increased by $19.7 million.

Rental income increased by $26.9 million from $42.9 million to $69.8 million due primarily to the acquisition of 29 communities comprising in excess of 11,300 developed sites during 1996 and six additional communities comprising in excess of 2,200 developed sites during 1995.

Other income increased by $1.1 million from $2.2 million to $3.3 million due to higher levels of interest income resulting primarily from investment of proceeds of financings and interest on mortgage notes receivable for a full year in 1996.

Property operating and maintenance expenses increased by $6.2 million from $9.8 million to $16.0 million due primarily to the acquired communities.

Real estate taxes increased by $2.7 million from $3.0 million to $5.7 million due primarily to the acquired communities.

General and administrative expenses increased by $1.0 million from $2.5 million to $3.5 million due primarily to additional staff as a result of the Company's growth.

Interest expense increased by $4.9 million from $6.4 million to $11.3 million due to higher levels of borrowings at a slightly higher weighted average interest rate. Included in interest is amortization of deferred finance costs of $.2 million and $.6 million in 1996 and 1995, respectively.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased by $18.3 million from $29.8 million to $48.1 million. EBITDA as a percent of revenues was 65.7% compared to 66.0 percent in 1995.

Depreciation and amortization expense increased by $5.2 million from $9.7 million to $14.9 million due primarily to the acquisition of communities in 1996 and 1995.

Comparison of year ended December 31, 1995 to year ended December 31, 1994

For the year ended December 31, 1995, income before minority interests increased by $4.7 million from $8.9 million to $13.6 million, when compared to the year ended December 31, 1994. The increase was due to increased revenues of $12.7 million while expenses increased by $8.1 million.

Rental income increased by $12.4 million from $30.5 million to $42.9 million due primarily to the acquisition of fifteen communities comprising in excess of 5,100 developed sites during 1994 and six additional communities throughout 1995 comprising in excess of 2,200 developed sites.

Property operating and maintenance expenses increased by $2.4 million from $7.4 million to $9.8 million due primarily to the acquired communities.

Real estate taxes increased by $.8 million from $2.2 million to $3.0 million due primarily to the acquired communities.

General and administrative expenses increased by $.5 million from $2.0 million to $2.5 million due primarily to additional staff as a result of the Company's growth.

Interest expense increased by $1.5 million from $4.9 million to $6.4 million due to higher levels of borrowings partially offset by lower interest rates and increased capitalization of interest in conjunction with the Company's community expansions. Included in interest is amortization of deferred finance costs of $.6 million and $.3 million in 1995 and 1994, respectively.

EBITDA increased by $9.0 million from $20.8 million to $29.8 million. EBITDA as a percent of revenues was 66.0 percent compared to 64.2 percent in 1994.

Depreciation and amortization expense increased by $2.8 million from $6.9 million to $9.7 million due primarily to the acquisition of communities in 1994 and 1995.

SAME PROPERTY INFORMATION

The following table reflects property-level financial information as of and for the years ended December 31, 1996 and 1995. The "Same Property" data represents information regarding the operation of communities owned as of January 1, 1995. Site, occupancy, and rent data for those communities is presented as of the last day of each period presented. The table excludes the 1,218 sites where the Company's interest is in the form of a shared appreciation mortgage note.

	SAME PROPERTY		TOTAL PORTFOLIO	
	1996	1995	1996	1995
	(in thousands)		(in thousands)	
Property revenues, including other	$42,278	$39,125	$70,359	$43,544
Property operating expenses:				
Property operating and maintenance	9,705	9,158	15,970	9,838
Real estate taxes	3,059	2,713	5,654	2,981
Property operating expenses	12,764	11,871	21,624	12,819
Property EBITDA	$29,514	$27,254	$48,735	$30,725
Number of properties	46	46	81	52
Developed sites	14,805	14,646	28,785	16,888
Occupied sites	13,961	13,624	26,865	15,846
Occupancy %	94.3%	93.0%	93.3%	93.8%
Weighted average monthly rent per site	$ 242	$ 231	$ 250	$ 234
Sites available for development	1,795	1,729	3,268	2,324
Sites in development	401	167	779	474

On a same property basis, property revenues increased by $3.2 million from $39.1 million to $42.3 million, or 8.1 percent, due primarily to increases in rents and occupancy related charges including water and property tax pass-throughs. Also contributing to revenue growth was the increase of 337 leased sites at December 31, 1996 compared to December 31, 1995.

Property operating expenses increased by $.9 million from $11.9 million to $12.8 million, or 7.5 percent, due to increased occupancies and costs and increases in assessments and millage by local taxing authorities. Property EBITDA increased by $2.2 million from $27.3 million to $29.5 million, or 8.3 percent.

Sites available for development in the total portfolio increased by 944 from 2,324 to 3,268 with 779 of those sites in development in our markets in Michigan, Indiana and Texas.

LIQUIDITY SOURCES AND REQUIREMENTS

Cash and cash equivalents increased by $9.1 million to $9.2 million at December 31, 1996 compared to $.1 million at December 31, 1995 primarily because cash provided by operating and financing activities exceeded investments in rental properties.

Net cash provided by operating activities increased by $10.4 million from $25.0 million to $35.4 million for the year ended December 31, 1996 as compared to the year ended December 31, 1995. This increase was due primarily to increases in non-cash expenses and accounts payable and other liabilities.

Net cash used in investing activities increased by $36.4 million from $40.5 million to $76.9 million for the year ended December 31, 1996 as compared to the year ended December 31, 1995. This was due primarily to an increased level of acquisitions and investments in rental properties.

Net cash provided by financing activities increased by $40.4 million from $10.2 million to $50.6 million for the year ended December 31, 1996 as compared to the year ended December 31, 1995. This was due to increased proceeds from equity offerings and the dividend reinvestment plan partially offset by the change in net borrowings.

During the second quarter the Company (I) issued 4.8 million shares of common stock at $26.125 per share resulting in net proceeds of approximately $118.3 million; (ii) sold $150 million of five and seven year notes resulting in net proceeds of approximately $148.7 million; (iii) obtained a $30 million 18 month secured term loan; (iv) issued $4.2 million of common OP units and $35.8

million of preferred OP units; and (v) replaced an $85 million secured line of credit with a $75 million, 42 month unsecured line of credit.

These proceeds were utilized to acquire the Aspen Properties for approximately $226 million and to retire substantially all of the Company's previously outstanding secured debt. At December 31, 1996, seven of the Company's properties comprising approximately 3,400 sites collateralized secured borrowings. The $150 million of notes are rated "Baa3" by Moody's Investors Service, "BBB-" by Standard & Poor's Ratings Services and "BBB-" by Fitch Investors Service.

The Company expects to meet its short-term liquidity requirements generally through its working capital provided by operating activities and proceeds from the Company's Dividend Reinvestment Plan. The Company considers these sources to be adequate and anticipates they will continue to be adequate to meet operating requirements, capital improvements, investment in development, and payment of distributions by the Company in accordance with REIT requirements in both the short and long term.

The Company expects to meet certain long-term liquidity requirements such as scheduled debt maturities and property acquisitions through the issuance of equity or debt securities, or interests in the Operating Partnership. The Company can also meet these requirements by utilizing its $75 million line of credit which bears interest at LIBOR plus 1.50% and is due November 1, 1999.

At December 31, 1996, the Company's debt to total market capitalization approximated 22% (assuming conversion of all Common and Preferred OP Units to shares of common stock), with a weighted average maturity of approximately 4.6 years and a weighted average interest rate of 7.42%.

Capital expenditures for 1996 included recurring capital expenditures of $2.5 million and revenue producing capital expenditures of $1.2 million which principally consisted of water metering programs.

Development costs, including land acquisitions of $2.7 million, aggregated $13.2 million for the year ended at December 31, 1996. The acquisition of incremental sites in owned communities where sites are being leased by the former owners aggregated $1.4 million in 1996.

RATIO OF EARNINGS TO FIXED CHARGES

The Company's ratio of earnings to fixed charges for the years ended December 31, 1993, 1994, 1995, and 1996 was 1.05:1, 2.79:1, 3.03:1, and 2.49:1, respectively.

INFLATION

Most of the leases allow for periodic rent increases which provide the Company with the opportunity to achieve increases in rental income as each lease expires. Such types of leases generally minimize the risk of inflation to the Company.

OTHER

Industry analysts consider funds from operations ("FFO") to be an appropriate measure of the performance of an equity REIT. It is defined as income before minority interests plus non-cash items such as depreciation and amortization. FFO should not be considered as an alternative to net income as an indication of the Company's performance or to cash flows as a measure of liquidity.

Quarters Ended	1994	1995	1996
March 31	$ 3,359	$ 5,288	$ 6,201
June 30	3,357	5,878	8,960
September 30	4,096	5,998	9,652
December 31	5,021	6,114	10,282
	$15,833	$23,278	$35,095

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In February 1997, the Financial Accounting Standards Board ("FASB") issued Financial Accounting Standards No. 128 Earnings Per Share ("EPS"). This Statement simplifies the previous standards for computing EPS and makes such standards comparable to international EPS standards. This Statement requires dual presentation of basic and diluted EPS on the face of the income statement for all entities with complex capital structures and it requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation.

The Company will adopt Statement 128 as of December 31, 1997 (earlier adoption is not permitted). The Company cannot presently determine the impact of adoption of Statement 128 as it cannot anticipate its capital structure and stock prices at December 31, 1997. Had the Company adopted Statement 128 in 1996, the impact would have been immaterial as the Company has few dilutive securities.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Financial statements and supplementary data are filed herewith under Item 14.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in the Company's independent public accountants during the past two fiscal years and the Company does not disagree with such accountants on any matter of accounting principles, practices or financial statement disclosure.

PART III

The information required by ITEMS 10, 11, 12 AND 13 will be included in the Company's proxy statement for its 1997 Annual Meeting of Shareholders, and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed herewith as part of this Form 10-K:

(1) A list of the financial statements required to be filed as a part of this Form 10-K is shown in the "Index to the Consolidated Financial Statements and Financial Statement Schedule" filed herewith.

(2) A list of the financial statement schedules required to be filed as a part of this Form 10-K is shown in the "Index to the Consolidated Financial Statements and Financial Statement Schedule" filed herewith.

(3) A list of the exhibits required by Item 601 of Regulation S-K to be filed as a part of this Form 10-K is shown on the "Exhibit Index" filed herewith.

(b) Reports on Form 8-K

The Company did not file any reports on Form 8-K regarding events occurring during the months included in the fourth quarter of the Company's fiscal year.

SUN COMMUNITIES, INC.
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Sun Communities, Inc.:

We have audited the accompanying consolidated balance sheet of Sun Communities, Inc. as of December 31, 1996 and 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1996. We have also audited the consolidated financial statement schedule listed under 14(a)(2) of this form 10-K. These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sun Communities, Inc. as of December 31, 1996 and 1995 and the consolidated results of its operations and cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule referred to above, when considered in relation to the consolidated financial statements taken as a whole, presents fairly, in all material respects, the information stated therein.

/s/ Coopers & Lybrand L.L.P.
Coopers & Lybrand L.L.P.

Detroit, Michigan
February 25, 1997

SUN COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1996 AND 1995
(AMOUNTS IN THOUSANDS)

ASSETS	1996	1995
Investment in rental property, net	$ 558,278	$ 310,030
Cash and cash equivalents	9,236	121
Investment in Sun Home Services, Inc. ("SHS")	5,103	3,187
Other assets	12,439	11,766
Total assets	$ 585,056	$ 325,104
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Debt	$ 185,000	$ 107,055
Accounts payable and accrued expenses	7,718	2,451
Deposits and other liabilities	9,123	6,123
	201,841	115,629
Minority interests	82,283	31,882
Stockholders' equity:		
Preferred stock, $.01 par value, 10,000 shares authorized, none issued		
Common stock, $.01 par value, 100,000 shares authorized, 15,389 and 9,931 issued and outstanding in 1996 and 1995, respectively	154	99
Paid-in capital	328,321	193,575
Officers' notes	(9,173)	(8,650)
Distributions in excess of accumulated earnings	(18,370)	(7,431)
Total stockholders' equity	300,932	177,593
Total liabilities and stockholders' equity	$ 585,056	$ 325,104

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

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(AMOUNTS IN THOUSANDS EXCEPT FOR PER SHARE DATA)

	1996	1995	1994
REVENUES			
Rental income	$ 69,849	$ 42,909	$ 30,461
Income from SHS	506	325	432
Other income	2,844	1,878	1,450
Total revenues	73,199	45,112	32,343
EXPENSES			
Property operating and maintenance	15,970	9,838	7,404
Real estate taxes	5,654	2,981	2,167
General and administrative	3,458	2,535	2,005
Depreciation and amortization	14,887	9,747	6,949
Interest	11,277	6,420	4,894
Total expenses	51,246	31,521	23,419
Income before extraordinary item and minority interests	21,953	13,591	8,924
Extraordinary item, early extinguishment of debt	(6,896)	--	--
Income before minority interests	15,057	13,591	8,924
Less income allocated to minority interests:			
Preferred OP Units	1,670	--	--
Common OP Units	1,683	1,930	1,138
Net income	$ 11,704	$ 11,661	$ 7,786
Earnings per share:			
Income before extraordinary item	$ 1.35	$ 1.19	$ 1.05
Extraordinary item	(.50)	--	--
Net income	$ .85	$ 1.19	$ 1.05
Weighted average common shares outstanding	13,733	9,792	7,416

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

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(AMOUNTS IN THOUSANDS EXCEPT FOR PER SHARE DATA)

	COMMON STOCK	PAID-IN CAPITAL	DISTRIBUTIONS IN EXCESS OF EARNINGS
Balance, January 1, 1994	$ 53	$ 93,053	$ (122)
Issuance of 4,131 shares of common stock	42	85,765	
Reclassification of minority interests		2,126	
Net income for the year ended December 31, 1994			7,786
Cash distributions of $1.78 per share			(13,725)
Balance, December 31, 1994	95	180,944	(6,061)
Issuance of 400 shares of common stock for officer notes	4	8,646	
Exercise of stock options and other, net		887	
Reclassification and conversion of minority interests		3,098	
Net income for the year ended December 31, 1995			11,661
Cash distributions declared of $1.335 per share			(13,031)
Balance, December 31, 1995	99	193,575	(7,431)
Issuance of 4,807 shares of common stock	48	118,245	
Dividend reinvestment plan and other, net	7	15,198	
Reclassification and conversion of minority interests		1,303	
Net income for the year ended December 31, 1996			11,704
Cash distributions declared of $1.81 per share			(22,643)
Balance, December 31, 1996	$ 154	$ 328,321	$ (18,370)

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

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(AMOUNTS IN THOUSANDS)

	1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 11,704	$ 11,661	$ 7,786
Adjustments to reconcile net income to cash provided by operating activities:			
Income allocated to minority interests	1,683	1,930	1,138
Extraordinary item, net of prepayment penalties	1,390	--	--
Depreciation and amortization costs	14,887	9,747	6,949
Deferred financing costs	236	598	325
Increase in other assets	(2,659)	(3,474)	(1,505)
Increase in accounts payable and other liabilities	8,173	4,521	192
Net cash provided by operating activities	35,414	24,983	14,885
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in rental properties	(78,722)	(38,214)	(78,644)
Investment in notes receivable	--	(4,143)	--
Investment in SHS.	1,804	1,872	(7,131)
Net cash used in investing activities	(76,918)	(40,485)	(85,775)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from sales of common stock	117,770	--	85,806
Proceeds from borrowings	185,000	41,257	--
Repayments on borrowings	(241,114)	(10,077)	(3,587)
Payments for deferred financing costs	(277)	(990)	(675)
Distributions	(25,965)	(19,832)	(11,463)
Retirement of operating partnership units	--	(1,001)	--
Dividend reinvestment plan and other, net	15,205	887	--
Net cash provided by financing activities	50,619	10,244	70,081
Net increase (decrease) in cash and cash equivalents	9,115	(5,258)	(809)
Cash and cash equivalents, beginning of year	121	5,379	6,188
Cash and cash equivalents, end of year	$ 9,236	$ 121	$ 5,379
SUPPLEMENTAL INFORMATION			
Cash paid for interest including capitalized amounts of $380, $192 and $58 in 1996, 1995 and 1994, respectively	$ 9,958	$ 5,499	$ 4,458
Noncash investing and financing activities:			
Increase in minority interests for rental properties and other assets	53,437	15,444	9,934
Debt assumed for rental properties and other	134,059	12,944	20,105
Transfer of rental homes with SHS	(3,720)	4,018	--
Issuance of common stock for officers' notes	523	8,650	--

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

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. BUSINESS: Sun Communities, Inc. and its subsidiaries (the "Company") is a real estate investment trust ("REIT") which owns and operates 81 manufactured housing communities located in 12 states concentrated principally in the Midwest and Southeast comprising approximately 28,800 developed sites and approximately 3,300 sites suitable for development. The Company generally will not be subject to federal or state income taxes to the extent it distributes its REIT taxable income to its stockholders.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

B. PRINCIPLES OF CONSOLIDATION: The accompanying financial statements include the accounts of the Company and all majority-owned subsidiaries. The minority interests include Common Operating Partnership Units ("OP Units") which are convertible into an equivalent number of shares of the Company's common stock. Such conversion would have no effect on earnings per share since the allocation of earnings to an OP Unit is equivalent to earnings allocated to a share of common stock. Of the 17.8 million OP Units outstanding, the Company owns 15.4 million or 86.7 percent. The minority interest is adjusted to its relative ownership interest annually by reclassification to paid in capital.

Also included in minority interest are 1.3 million Preferred OP Units ("POP Units") issued at $27 per unit bearing an annual dividend of 7% and redeemable at par in June, 2002. The POP Units are convertible one-for-one into OP Units at prices up to $31.50 per share. At prices above $31.50 per share, the POP Units are convertible into OP Units based on a formula the numerator of which is $31.50 plus 25 percent of stock price appreciation above $36 per share. The denominator is the then stock price.

SHS provides sales, brokerage and other services to current and prospective tenants. The Company owns 100 percent of the outstanding preferred stock of SHS, is entitled to 95 percent of the operating cash flow, and accounts for its investment utilizing the equity method of accounting. The common stock is owned by three officers of the Company who are entitled to receive 5 percent of the operating cash flow.

C. RENTAL PROPERTY: Rental property is recorded at cost, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Useful lives are 30 years for land improvements and buildings and 7 to 15 years for furniture, fixtures and equipment. Expenditures for ordinary maintenance and repairs are charged to operations as incurred and significant renovations and improvements, which improve and/or extend the useful life of the asset, are capitalized and depreciated over their estimated useful lives.

D. CASH & CASH EQUIVALENTS: The Company considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 1996, 1995 AND 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

E. REVENUE RECOGNITION: Rental income attributable to leases is recorded on a straight-line basis when earned from tenants. Leases entered into by tenants range from month-to-month to twelve years and are renewable by mutual agreement of the Company and resident or, in some cases, as provided by statute.

F. FAIR VALUE OF FINANCIAL INSTRUMENTS: The carrying amount of financial instruments which includes cash and cash investments, mortgages and notes receivable, and debt approximates fair value.

G. TAX STATUS OF DIVIDENDS: Approximately 56.6, 47.8, and 40.2 percent of the distributions paid in 1996, 1995, and 1994, respectively, represent a return of capital. The return of capital is subject to significant variability depending primarily on the extent and financing of acquisitions and the incurrence of nonoperating transactions entering into the determination of taxable income.

H. RECLASSIFICATIONS: Certain 1994 and 1995 amounts have been reclassified to conform with the 1996 financial statement presentation. Such reclassifications have no effect on operations as originally presented.

2. ACQUISITIONS:

During 1996, the Company acquired 29 manufactured housing communities comprising in excess of 11,350 development sites and 500 sites suitable for development. The cost of acquisitions aggregated $247.9 million, consisting of $229.2 million in the second quarter and $18.7 million in the fourth quarter. Consideration consisted of $134.1 million in the assumption or issuance of debt, $53.4 million in issuance of Common and Preferred OP Units and $60.4 million of cash.

During 1995, the Company acquired six manufactured housing communities comprising in excess of 2,200 developed sites and 425 expansion sites. The cost of the acquisitions aggregated $52 million, consisting of $24 million, $17 million, and $11 million in the first three quarters, respectively. Consideration consisted of $12 million in the assumption or issuance of debt, $15 million in issuance of OP Units and $25 million of cash borrowed under the Company's line of credit.

These transactions have been accounted for as purchases, and the statements of income include the operations of the acquired communities from the dates of their respective acquisitions. In conjunction with an acquisition, the Company is obligated to issue $12.1 million of OP Units through 2009 based on the per unit price of the OP Units on each annual date.

The following unaudited table of pro forma information has been prepared as if the Company's acquisition of six manufactured housing communities in 1995 and 29 manufactured housing communities in 1996 had occurred as of January 1, 1995. In management's opinion, the pro forma information is not necessarily indicative of consolidated results of operations that may have occurred had the above transactions taken place on January 1 of each year. In the following table, the amounts are in thousands except per share amounts:

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 1996, 1995 AND 1994

2. ACQUISITIONS, CONTINUED:

	PRO FORMA FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)	
	1996	1995
Revenues	$ 86,080	$ 80,071
Operating income	$ 56,527	$ 52,611
Net income	$ 21,900	$ 17,744
Net income per share	$ 1.26	$ 1.04

Net income has not been reduced for minority interests and net income per share assumes that all OP Units have been converted to shares of the Company's common stock. Operating income is defined as total revenues less property operating and maintenance expense, real estate tax expense and general and administrative expense. Operating income is not necessarily an indication of the performance of the Company or a measure of liquidity.

3. RENTAL PROPERTY:

	AT DECEMBER 31	
	1996	1995
Land	$ 58,943	$ 32,565
Land improvements and buildings	510,726	282,121
Furniture, fixtures, equipment	9,826	9,852
Property under development	9,318	2,075
	588,813	326,613
Less accumulated depreciation	(30,535)	(16,583)
	$ 558,278	$ 310,030

Land improvements and buildings consist primarily of infrastructure, roads, landscaping, and clubhouses, maintenance buildings and amenities.

4. NOTES RECEIVABLE:

Included in other assets are $4.2 million of second and third mortgage notes collateralized by manufactured housing communities located in Alberta, Canada bearing interest at an average rate of 17 percent. The principal is due in April 2000 and the Company is entitled to 73 percent of excess cash flow, as defined.

The officers' notes are 10 year, LIBOR +1.75% notes collateralized by 420,000 shares of the Company's common stock with personal liability up to approximately $5 million. Interest income of $.6 million has been recognized in 1996 and 1995. At December 31, 1996, accrued interest approximated $.3 million of which $.2 million was paid in January, 1997.

5. DEBT:

	AT DECEMBER 31	
	1996	1995
Secured term loan, interest at LIBOR plus 1.50% (7% at December 31, 1996), due November 1, 1997	$ 35,000	
Senior notes, interest at 7.375%, due May 1, 2001	65,000	
Senior notes, interest at 7.625%, due May 1, 2003	85,000	
Prior year debt, repaid April, 1996	--	$ 107,055
	$ 185,000	$ 107,055

The Company has a $75 million unsecured line of credit at LIBOR plus 1.50% on which no balance was owing at December 31, 1996. Fees and costs incurred to obtain financing are amortized on a straight-line basis over the terms of the respective loans.

The Company intends to refinance the secured term loan for a ten year period during 1997 and has hedged its interest rate exposure utilizing 10-year U.S. Treasury Bonds. The realized gain or loss on the hedged position (unrealized loss of $1.3 million at December 31, 1996) will be amortized as an adjustment to interest expense over the term of the refinanced secured debt.

The extraordinary item of $6.9 million results from the early extinguishment of debt and includes prepayment penalties and related deferred financing costs.

6. STOCK OPTIONS:

Data pertaining to stock option plans are as follows:

	1996	1995	1994
Options outstanding, January 1	301,167	300,000	200,000
Options granted	482,950	375,430	100,000
Option price	$26.625-$28.637	$21.625-$24.875	$22.50-$22.75
Options exercised	16,683	356,763	--
Option price	$20-$23.125	$20-$21.625	
Options forfeited	--	17,500	--
Option price		$22.00-$23.125	
Options outstanding, December 31	767,434	301,167	300,000
Option price	$20-$28.637	$20-$24.875	$20-$22.75
Options exercisable, December 31	359,616	232,833	220,000

At December 31, 1996, 322,000 shares of common stock were available for the granting of options. Options are granted at fair market value and generally vest over a two-year period and may be exercised for 10 years after date of grant. The plans provide for the grant of up to 1,485,000 options. At December 31, 1996, the weighted average remaining contractual life relating to options was 8.5 years.

The Company has opted to measure compensation cost utilizing the intrinsic value method. The fair value of each option grant was estimated as of the date of grant using the Block-Scholes option-pricing model with the following assumptions for options granted in:

6. STOCK OPTIONS, CONTINUED:

	1996	1995
Estimated fair value per share of options granted during year	$1.94	$2.22
Assumptions:		
Annualized dividend yield	6.9%	7.7%
Common stock price volatility	15.1%	15.3%
Risk-free rate of return	6.2%	6.4%
Expected option term (in years)	8	8

This accounting would have resulted in net income of $11.5 million and $11.1 million and net income per share of $.84 and $1.13 in 1996 and 1995, respectively.

7. QUARTERLY FINANCIAL DATA (UNAUDITED):

The following unaudited quarterly amounts are in thousands, except for per share amounts:

	FIRST QUARTER MARCH 31	SECOND QUARTER JUNE 30(B)	THIRD QUARTER SEPT. 30	FOURTH QUARTER DEC. 31
1996				
Total revenues	$ 12,442	$ 18,149	$ 20,862	$ 21,746
Operating income (a)	$ 8,254	$ 12,063	$ 13,538	$ 14,262
Income before allocation to minority interests	$ 3,456	$ 5,647	$ 6,278	$ 6,572
Net income	$ 2,937	$ 4,631	$ 5,012	$ 5,230
Weighted average common shares outstanding	10,013	14,489	15,092	15,337
Earnings per common share	$ .29	$ .32	$ .33	$ .34
1995				
Total revenues	$ 9,770	$ 11,250	$ 11,906	$ 12,186
Operating income (a)	$ 6,420	$ 7,386	$ 7,780	$ 8,172
Income before allocation to minority interests	$ 3,206	$ 3,567	$ 3,525	$ 3,293
Net income	$ 2,867	$ 3,018	$ 2,984	$ 2,792
Weighted average common shares outstanding	9,458	9,890	9,906	9,924
Earnings per common share	$ 0.30	$ 0.31	$ 0.30	$ 0.28

(a) Operating income is defined as total revenues less property operating and maintenance expense, real estate tax expense, and general and administrative expenses. Operating income is a measure of the performance of the operations of the properties before the effects of depreciation, amortization and interest expense. Operating income is not necessarily an indication of the performance of the Company or a measure of liquidity.

(b) Net income and earnings per share are presented before an extraordinary item arising from debt extinguishment of which $6,106 or $.42 per share is attributable to common stockholders.

SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1996
(AMOUNTS IN THOUSANDS)

SCHEDULE III

PROPERTY NAME	LOCATION	ENCUMBRANCE	INITIAL COST TO COMPANY		COST CAPITALIZED SUBSEQUENT TO ACQUISITION
			LAND	BUILDING AND FIXTURES	IMPROVEMENTS
					LAND
Allendale	Allendale, MI		$ 393	$ 3,684	-
Alpine	Grand Rapids, MI		729	6,692	-
Arbor Terrace	Bradenton, FL		481	4,410	-
Ariana Village	Lakeland, FL	-	240	2,195	-
Bedford Hills	Battle Creek, MI	- (1)	1,265	11,562	-
Bonita Lake	Bonita Springs, FL	-	285	2,641	-
Boulder Creek	Pflugerville, TX	-	1,000	500	-
Branch Creek	Austin, TX	-	796	3,716	-
Breezy Hill	Pompano Beach, FL	-	1,778	16,085	-
Brentwood	Kentwood, MI	-	385	3,592	-
Brookside Village	Goshen, IN	-	260	1,080	$ 386
Byron Center	Byron Center, MI	-	257	2,402	-
Candlelight Village	Chicago Heights, IL	-	600	5,623	-
Candlewick Court	Owosso, MI	-	125	1,900	132
Catalina	Middletown, OH	-	653	5,858	-
Chain O'Lakes	Grand Island, FL	-	551	5,003	-
Chisholm Point	Pflugerville, TX	-	609	5,286	-
Clearwater Village	South Bend, IN	-	80	1,270	61
Cobus Green	Elkhart, IN	-	762	7,037	-
College Park Estates	Canton, MI	-	75	800	174
Continental Estates	Davison, MI	-	1,625	16,581	-
Country Acres	Cadillac, MI	-	380	3,495	-
Country Meadows	Flat Rock, MI	-	924	7,583	296
Countryside Village	Perry, MI	- (1)	275	3,920	185
Creekwood Meadows	Burton, MI	-	808	2,043	-
Cutler Estates	Grand Rapids, MI	- (1)	822	7,604	-
Douglas Estates	Austell, GA	-	508	2,125	-
Edwardsville	Edwardsville, KS	- (1)	425	8,805	541
Fisherman's Cove	Flint, MI	-	380	3,438	-
Flagview Village	Douglasville, GA	-	508	2,125	-
Four Seasons	Ankeny, IO	-	890	8,054	-

PROPERTY NAME	COST CAPITALIZED SUBSEQUENT TO ACQUISITION IMPROVEMENTS BUILDING AND FIXTURES	GROSS AMOUNT CARRIED AT DECEMBER 31, 1996 LAND	BUILDING AND FIXTURES	TOTAL	ACCUMULATED DEPRECIATION	DATE OF ACQUISITION
Allendale	-	$ 393	$ 3,684	$ 4,077	$ 62	1996
Alpine	-	729	6,692	7,421	115	1996
Arbor Terrace	-	481	4,410	4,891	76	1996
Ariana Village	$ 159	240	2,354	2,594	202	1994
Bedford Hills	-	1,265	11,562	12,827	200	1996
Bonita Lake	-	285	2,641	2,926	45	1996
Boulder Creek	-	1,000	500	1,500	-	1996
Branch Creek	1,982	796	5,698	6,494	180	1995
Breezy Hill	-	1,778	16,085	17,863	281	1996
Brentwood	-	385	3,592	3,977	61	1996
Brookside Village	3,242	646	4,322	4,968	394	1985
Byron Center	-	257	2,402	2,659	41	1996
Candlelight Village	-	600	5,623	6,223	98	1996
Candlewick Court	702	257	2,602	2,859	267	1985
Catalina	95	653	5,953	6,606	643	1993
Chain O'Lakes	-	551	5,003	5,554	143	1996
Chisholm Point	758	609	6,044	6,653	255	1995
Clearwater Village	570	141	1,840	1,981	179	1986
Cobus Green	213	762	7,250	8,012	745	1993
College Park Estates	4,254	249	5,054	5,303	418	1978
Continental Estates	-	1,625	16,581	18,206	286	1996
Country Acres	-	380	3,495	3,875	60	1996
Country Meadows	5,469	1,220	13,052	14,272	778	1994
Countryside Village	1,313	460	5,233	5,693	494	1987
Creekwood Meadows	-	808	2,043	2,851	-	1996
Cutler Estates	-	822	7,604	8,426	130	1996
Douglas Estates	191	508	2,316	2,824	243	1988
Edwardsville	743	966	9,548	10,514	1,001	1987
Fisherman's Cove	240	380	3,678	4,058	371	1993
Flagview Village	167	508	2,292	2,800	245	1988
Four Seasons	-	890	8,054	8,944	140	1996

SUN COMMUNITIES, INC. SCHEDULE III

REAL ESTATE AND ACCUMULATED DEPRECIATION, CONTINUED

(AMOUNTS IN THOUSANDS)

PROPERTY NAME	LOCATION	ENCUMBRANCE	INITIAL COST TO COMPANY		COST CAPITALIZED SUBSEQUENT TO ACQUISITION
			LAND	BUILDING AND FIXTURES	IMPROVEMENTS
					LAND
Golden Lakes	Plant City, FL	-	1,092	7,161	1
Grand	Grand Rapids, MI	-	578	5,396	-
Hamlin	Webberville, MI	-	125	1,675	77
Holiday Village	Elkhart, IN	-	100	3,207	143
Indian Creek	Ft. Myers Beach, FL	-	3,832	34,660	-
Island Lake	Merritt Island, FL	-	700	6,431	-
Kensington Meadows	Lansing, MI	-	250	2,699	-
King's Court	Traverse City, MI	-	1,473	13,782	-
King's Lake	Debary, FL	-	280	2,542	-
King's Pointe	Winter Haven, FL	-	262	2,359	-
Kissimmee Gardens	Kissimmee, FL	-	594	5,522	-
Lake Juliana	Auburndale, FL	-	335	2,848	-
Lake San Marino	Naples, FL	-	650	5,760	-
Leesburg Landing	Leesburg, FL	-	50	429	-
Liberty Farms	Valparaiso, IN	-	66	1,201	116
Lincoln Estates	Holland, MI	-	455	4,201	-
Maple Grove Estates	Dorr, MI	-	15	210	19
Maplewood	Lawrence, IN	-	280	2,122	-
Meadow Lake Estates	White Lake, MI	-	1,188	11,498	127
Meadowbrook	Indianapolis, IN	-	927	3,833	331
Meadowbrook Estates	Monroe, MI	-	431	3,320	379
Meadowbrook Village	Tampa, FL	-	519	4,728	-
Meadows	Nappanee, IN	-	300	2,300	3
Meadowstream Village	Sodus, MI	-	100	1,175	109
Orange Tree	Orange City, FL	-	283	2,530	-
Paradise	Chicago Heights, IL	-	723	6,638	-
Parkwood	Grand Blanc, MI	-	477	4,279	-
Pin Oak Parc	St. Louis, MO	-	1,038	3,250	44
Pine Hills	Middlebury, IN	-	72	544	52

PROPERTY NAME	COST CAPITALIZED SUBSEQUENT TO ACQUISITION IMPROVEMENTS BUILDING AND FIXTURES	GROSS AMOUNT CARRIED AT DECEMBER 31, 1996 LAND	BUILDING AND FIXTURES	TOTAL	ACCUMULATED DEPRECIATION	DATE OF ACQUISITION
Golden Lakes	189	1,093	7,350	8,443	777	1993
Grand	-	578	5,396	5,974	91	1996
Hamlin	490	202	2,165	2,367	226	1984
Holiday Village	692	243	3,899	4,142	421	1986
Indian Creek	-	3,832	34,660	38,492	606	1996
Island Lake	23	700	6,454	7,154	316	1995
Kensington Meadows	827	250	3,526	3,776	143	1995
King's Court	-	1,473	13,782	15,255	233	1996
King's Lake	380	280	2,922	3,202	240	1994
King's Pointe	63	262	2,422	2,684	211	1994
Kissimmee Gardens	45	594	5,567	6,161	616	1993
Lake Juliana	119	335	2,967	3,302	264	1994
Lake San Marino	-	650	5,760	6,410	100	1996
Leesburg Landing	-	50	429	479	9	1996
Liberty Farms	1,520	182	2,721	2,903	239	1985
Lincoln Estates	-	455	4,201	4,656	72	1996
Maple Grove Estates	216	34	426	460	47	1979
Maplewood	371	280	2,493	2,773	260	1989
Meadow Lake Estates	1,059	1,315	12,557	13,872	1,119	1994
Meadowbrook	708	1,258	4,541	5,799	471	1989
Meadowbrook Estates	5,285	810	8,605	9,415	881	1986
Meadowbrook Village	30	519	4,758	5,277	488	1994
Meadows	1,644	303	3,944	4,247	375	1987
Meadowstream Village	1,016	209	2,191	2,400	241	1984
Orange Tree	63	283	2,593	2,876	225	1994
Paradise	-	723	6,638	7,361	114	1996
Parkwood	215	477	4,494	4,971	465	1993
Pin Oak Parc	1,058	1,082	4,308	5,390	335	1994
Pine Hills	1,263	124	1,807	1,931	188	1980

SUN COMMUNITIES, INC. SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION, CONTINUED
(AMOUNTS IN THOUSANDS)

PROPERTY NAME	LOCATION	ENCUMBRANCE	INITIAL COST TO COMPANY		COST CAPITALIZED SUBSEQUENT TO ACQUISITION
			LAND	BUILDING AND FIXTURES	IMPROVEMENTS
					LAND
Pine Ridge	Petersburg, VA	-	405	2,397	-
Plantation Manor	Ft. Pierce, FL	-	950	8,891	-
Pleasure Cove	Ft. Pierce, FL	-	550	5,005	-
Presidential	Hudsonville, MI	-	680	6,314	-
Royal Country	Miami, FL	- (1)	2,290	20,758	-
Saddle Oak Club	Ocala, FL	-	730	6,743	-
Scio Farms	Ann Arbor, MI	-	2,300	22,659	-
Sherman Oaks	Jackson, MI	- (1)	200	2,400	240
Siesta Bay	Ft. Myers Beach, FL	-	2,051	18,549	-
Silver Star	Orlando, FL	-	1,067	9,685	-
Tallowwood	Coconut Creek, FL	-	510	5,099	-
Timber Ridge	Ft. Collins, CO	-	990	9,231	-
Timberbrook	Bristol, IN	- (1)	490	3,400	101
Timberline Estates	Grand Rapids, MI	-	536	4,867	-
Town and Country	Traverse City, MI	-	406	3,736	-
Valley Mills	Indianapolis, IN	-	150	3,500	-
Water Oak Country Club Est.	Lady Lake, FL	-	2,503	17,478	-
West Glen Village	Indianapolis, IN	-	1,100	10,028	-
Whispering Palm	Sebastian, FL	-	975	8,754	-
Woods Edge	West Lafayette, IN	-	100	2,600	3
Worthington Arms	Delaware, OH	-	376	2,624	-
Corporate Headquarters	Farmington Hills, MI	-	-	-	-
			$ 55,423	$ 478,127	$ 3,520

PROPERTY NAME	COST CAPITALIZED SUBSEQUENT TO ACQUISITION IMPROVEMENTS BUILDING AND FIXTURES	GROSS AMOUNT CARRIED AT DECEMBER 31, 1996 LAND	BUILDING AND FIXTURES	TOTAL	ACCUMULATED DEPRECIATION	DATE OF ACQUISITION
Pine Ridge	809	405	3,206	3,611	327	1986
Plantation Manor	16	950	8,907	9,857	765	1994
Pleasure Cove	-	550	5,005	5,555	434	1994
Presidential	-	680	6,314	6,994	107	1996
Royal Country	160	2,290	20,918	23,208	2,123	1994
Saddle Oak Club	167	730	6,910	7,640	485	1995
Scio Farms	1,749	2,300	24,408	26,708	1,157	1995
Sherman Oaks	2,874	440	5,274	5,714	544	1986
Siesta Bay	-	2,051	18,549	20,600	324	1996
Silver Star	-	1,067	9,685	10,752	169	1996
Tallowwood	126	510	5,225	5,735	455	1994
Timber Ridge	-	990	9,231	10,221	156	1996
Timberbrook	3,668	591	7,068	7,659	640	1987
Timberline Estates	198	536	5,065	5,601	439	1994
Town and Country	-	406	3,736	4,142	64	1996
Valley Mills	336	150	3,836	3,986	404	1989
Water Oak Country Club Est.	873	2,503	18,351	20,854	1,968	1993
West Glen Village	270	1,100	10,298	11,398	870	1994
Whispering Palm	-	975	8,754	9,729	152	1996
Woods Edge	1,192	103	3,792	3,895	376	1985
Worthington Arms	740	376	3,364	3,740	347	1990
Corporate Headquarters	1,191	-	1,191	1,191	303	VARIOUS
	$ 51,743	$ 58,943	$ 529,870	$ 588,813	$ 30,535	

(1) These communities collateralize $35 million of secured debt.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 28, 1997

SUN COMMUNITIES, INC.

By /s/ Gary A. Shiffman
Gary A. Shiffman, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

NAME	TITLE	DATE
/s/ Milton M. Shiffman Milton M. Shiffman	Chairman of the Board of Directors	March 28, 1997
/s/ Gary A. Shiffman Gary A. Shiffman	Chief Executive Officer, President and Director	March 28, 1997
/s/ Jeffrey P. Jorissen Jeffrey P. Jorissen	Senior Vice President, Chief Financial Officer, Treasurer, Secretary and Principal Accounting Officer	March 28, 1997
/s/ Carl R. Weinert Carl R. Weinert	Director	March 28, 1997
/s/ Paul D. Lapides Paul D. Lapides	Director	March 28, 1997
/s/ Ted J. Simon Ted J. Simon	Director	March 28, 1997

/s/ Clunet R. Lewis - ------------------ Clunet R. Lewis	Director	March 28, 1997
/s/ Ronald L. Piasecki - ---------------------- Ronald L. Piasecki	Director	March 28, 1997
/s/ Arthur A. Weiss - ------------------ Arthur A. Weiss	Director	March 28, 1997

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
2.1	Form of Common Stock Certificate	(1)
2.2	Master Contribution and Sale Agreement pertaining to the Aspen Properties	(2)
2.3	Contribution Agreement pertaining to Leesburg Landing	
2.4	Contribution Agreement pertaining to Continental Estates	
3.1	Amended and Restated Articles of Incorporation of Sun Communities, Inc.	(1)
3.2	Bylaws of Sun Communities, Inc.	(3)
4.1	Indenture, dated as of April 24, 1996, among the Operating Partnership, the Company and Bankers Trust Company, as Trustee	(4)
4.2	Form of Note for the 2001 Notes	(4)
4.3	Form of Note for the 2003 Notes	(4)
10.1	Second Amended and Restated Agreement of Limited Partnership of Sun Communities Operating Limited Partnership	
10.2	Amended and Restated 1993 Stock Option Plan#	
10.3	Amended and Restated 1993 Non-Employee Director Stock Option Plan#	
10.4	Form of Stock Option Agreement between the Company and certain directors, officers and other individuals#	(1)
10.5	Form of Non-Employee Director Stock Option Agreement between the Company and certain directors#	(5)
10.6	Employment Agreement between the Company and Gary A. Shiffman#	
10.7	Agreement regarding termination of Robert B. Bayer's Employment Agreement#	(6)
10.8	Registration Rights and Lock-Up Agreement with the Company	(5)
10.9	Revolving Credit Agreement with NBD Bank, N.A.	(5)
10.10	Line of Credit Agreement with Lehman Brothers Holdings Inc.	(3)
10.11	Property Management and Leasing Agreement between the Financing Partnership and Sun Management, Inc.	(5)
10.12	Property Management and Leasing Termination Agreement between the Financing Partnership and Sun Management, Inc.	
10.13	Purchase Agreement with respect to Mortgage Debt	(1)
10.14	Credit Agreement between Fort McMurray Housing Inc. and Sun Communities Alberta Limited Partnership	(3)
10.15	First Amending Agreement to Credit Agreement between Fort McMurray Housing Inc. and Sun Communities Alberta Limited Partnership	(3)
10.16	Demand Note Agreement from Sun Communities Operating Limited Partnership to NBD Bank, Canada	(3)
10.17	Fee and Commission Agreement between Sun Communities Operating Limited Partnership and Fort McMurray Housing Inc.	(3)

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
10.18	$1,022,538.12 Promissory Note from Gary A. Shiffman to the Company	(7)
10.19	$1,022,538.13 Promissory Note from Gary A. Shiffman to the Company	(7)
10.20	$6,604,923.75 Promissory Note from Gary A. Shiffman to the Company	(7)
10.21	Stock Pledge Agreement between Gary A. Shiffman and the Company for 94,570 shares of Company stock	(7)
10.22	Stock Pledge Agreement between Gary A. Shiffman and the Company for 305,430 shares of Company stock	(7)
10.23	Registration Rights Agreement between Gary A. Shiffman and the Company	(3)
10.24	Registration Rights and Lock Up Agreement among the Company and the partners of Miami Lakes Venture Associates, as amended	(3)
10.25	Registration Rights and Lock Up Agreement among the Company and the partners of Scio Farms Estates Limited Partnership	(3)
10.26	Registration Rights and Lock Up Agreement among the Company and the partners of Kensington Meadows Associates	(3)
10.27	Registration Rights and Lock Up Agreement among the Company and certain affiliates of Aspen Enterprises, Ltd. (Preferred OP Units)	
10.28	Registration Rights and Lock Up Agreement among the Company and certain affiliates of Aspen Enterprises, Ltd. (Common OP Units)	
10.29	Registration Rights Agreement among the Company and the partners of S&K Smith Co.	
10.30	Employment Agreement between the Company and Jeffrey P. Jorissen#	
12.1	Calculation of Ratios of Earnings to Fixed Charges	
21	List of Subsidiaries	
23	Consent of Coopers & Lybrand L.L.P., independent accountants	
27	Financial Data Schedule	

(1) Incorporated by reference to the Company's Registration Statement No. 33-69340.

(2) Incorporated by reference to the Company's Current Report on Form 8-K dated March 20, 1996.

(3) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

(4) Incorporated by reference to the Company's Current Report on Form 8-K dated April 24, 1996.

(5) Incorporated by reference to the Company's Registration Statement No. 33-80972.

(6) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1994.

(7) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995.

Management contract or compensatory plan or arrangement required to be identified by Form 10-K Item 14.

EXHIBIT 2.3

CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT is made and entered into this 30th day of September, 1996, by and between DONALD L. SMITH ("Smith" or "Contributor"), a single man, and SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP ("Sun"), a Michigan limited partnership having its principal office at 31700 Middlebelt, Suite 145, Farmington Hills, Michigan 48334, or its designee or assignee.

R E C I T A L S:

A. The Contributor is the owner of parcels of real property (the "Land") located in the City of Leesburg, Lake County, Florida, containing 96 developed manufactured home sites and 136 undeveloped manufactured home sites on approximately 35 acres, commonly known as Leesburg Landing Manufactured Home Community ("Leesburg Landing"), as more fully described in Exhibit "A" attached hereto and made a part hereof, together with the buildings, structures, improvements and manufactured home sites on, above or below the Land, and all fixtures attached to, a part of or used in connection with the improvements, structures, buildings and manufactured home sites, and the parking, facilities, walkways, ramps and other appurtenances relating to the Land (collectively the "Improvements").

B. The Contributor is the owner of all machinery, equipment, goods, vehicles, manufactured homes and other personal property (collectively the "Personal Property") described in Exhibit "B", attached hereto and made a part hereof, which is located at or useable in connection with the ownership or operation of the Land and Improvements. The Personal Property does not include the Leased Homes (as defined in Section 17 below).

C. The Land, the Improvements, and the Personal Property, together with all of the Contributor's right, title and interest in and to all licenses, permits and franchises issued with respect to the use, occupancy, maintenance or operation of the Land and Improvements, all right, title and interest, if any, of the Contributor in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Land to the center line thereof, all easements appurtenant to the Land, including, but not limited to, privileges or rights of way over adjoining premises inuring to the benefit of the Land, or the fee owner thereof, and all rights of use, air, mineral and subsurface rights, servitudes, licenses, tenements, hereditaments and appurtenances now or hereafter belonging to the foregoing are hereinafter sometimes collectively referred to as the "Project".

D. The Contributor desires to contribute the Project to Sun, and Sun desires to accept the contribution of the Project from the Contributor, all upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises, and the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. AGREEMENT TO CONTRIBUTE.

1.1 The Contributor agrees to contribute the Project to Sun, and Sun agrees to accept the Project from the Contributor, in accordance with the terms and subject to the conditions hereinafter set forth.

2. CONSIDERATION.

2.1 The parties agree that the aggregate value (the "Agreed Value") of the Project, is One Million Five Hundred Thousand and 00/100 ($1,500,000.00) Dollars less (i) the costs incurred by Sun for the policy of title insurance and endorsements thereto to be issued pursuant to Section 18.2(e) hereof, the Survey to be obtained pursuant to Section 4.2 and the Environmental Audit to be obtained pursuant to Section 10.1(e), and (ii) the sum of all transfer, documentary, intangible, sales, use and other taxes paid by Sun pursuant to the terms hereof as a result of the transfer of the Project to Sun (collectively, the "Existing Debt"). On the Contribution Date, Sun shall issue to the Contributor the number of Common OP Units (such term having the meaning assigned to it in Sun's Second Amended and Restated Limited Partnership Agreement) equal to a fraction in which the numerator is Three Hundred Thousand ($300,000.00) Dollars less the sum of the Existing Debt and the denominator is the "Stock Price". The Stock Price shall mean (i) $1.00 over the Base Price (as defined below) if such Base Price is $27.50 per share or less; (ii) $28.50 if the Base Price is greater than $27.50 and less than $28.50; and (iii) the Base Price if the Base Price is $28.50 or more. The Base Price will equal the average closing stock price per share of the common stock of Sun Communities, Inc. (the "REIT") during the five (5) business days immediately prior to the Contribution Date. If the Existing Debt is greater than $300,000.00, no Common OP Units will be issued to the Contributor on the Contribution Date, and an excess Existing Debt shall reduce the number of Common OP Units to be issued pursuant to Section 2.4 below.

2.2 If during the two (2) year period immediately following the Contribution Date the highest average closing stock price of the REIT for any five (5) consecutive business days (the "New Average Stock Price") does not, at a minimum, equal the Stock Price used when determining the number of Common OP Units issued pursuant to Section 2.1 and the Stock Price used in Section 2.1 was less than $28.50 per share, Sun will issue additional Common OP Units to the Contributor (the "Additional Issuance") equal to the difference between the number of Common OP Units issued to the Contributor at closing and (i) the number of Common OP Units which would have been issued to the Contributor if the New Average Stock Price had been used as the Stock Price in determining the number of such Common OP Units to be issued pursuant to Section 2.1, or (ii) the number of Common OP Units which would have been issued to the Contributor if the Base Price had been used as the Stock Price in determining the number of such Common OP Units to be issued pursuant to Section 2.1, whichever is less.

2.3 The Common OP Units issued pursuant to Section 2.1 shall be issued effective as of one day after the REIT's dividend record date immediately following the Contribution Date. The Common OP Units issued pursuant to Section 2.2, if any, shall be issued effective as of one day

after the REIT's dividend record date immediately following the second anniversary of the Contribution Date. With respect to the calendar quarter in which the issuance of Common OP Units is effective, Sun will make a payment to the Contributor per Common OP Unit equal to the product of (x) the distribution per Common OP Unit for the REIT's record date immediately preceding the date the issuance of such Common OP Units is effective and (y) a fraction in which the numerator is the number of days from, but not including, the Contribution Date (with respect to Common OP Units issued pursuant to Section 2.1) or the second anniversary of the Contribution Date (with respect to any Common OP Units that may be issued pursuant to Section 2.2) to the end of the calendar quarter and the denominator is the number of days in the calendar quarter in which falls the Contribution Date (with respect to Common OP Units issued pursuant to Section 2.1) or the second anniversary of the Contribution Date (with respect to any Common OP Units that may be issued pursuant to Section 2.2). Such payment shall be made on the date the REIT's dividend payment is made for such calendar quarter.

2.4 The remainder of the Agreed Value, $1,200,000.00, shall be paid through the issuance to the Contributor of additional Common OP Units as follows: (a) quarterly, on the day following each dividend declaration date of the REIT, the Contributor will be issued the number of Common OP Units equal to a fraction, the numerator of which is equal to the product of $6,593.41 multiplied by the number of Unoccupied Sites and Undeveloped Sites which became Occupied Sites during the preceding quarter, and the denominator of which is the Florida Stock Price; (b) on the dividend declaration date of the REIT immediately following the third anniversary of the Contribution Date, Common OP Units applicable to Unoccupied Sites having an aggregate value of $303,296.80, less the value of Common OP Units issued for Unoccupied Sites pursuant to subparagraph (a) above, shall be issued to the Contributor, and thereafter no additional Common OP Units shall be issued for Unoccupied Sites which become Occupied Sites; and (iii) on the dividend declaration date of the REIT immediately following the thirty-eighth month after the Contribution Date, Common OP Units having an aggregate value of $1,200,000.00, less the value of Common OP Units issued pursuant to subparagraphs (a) and (b) above, shall be issued to the Contributor, and thereafter no additional Common OP Units shall be issued to the Contributor.

2.5 For the purposes of this Agreement: the "Florida Stock Price" shall mean $1.00 over the average closing stock price per share of the REIT during the five (5) business days immediately prior to the applicable dividend declaration date; "Unoccupied Sites" means the forty-six (46) developed manufactured home sites within Leesburg Landing which are not actually occupied by bona fide independent third party tenants paying Market Rate Rent pursuant to leases approved by Sun; "Undeveloped Sites" means the 136 undeveloped manufactured home sites within Leesburg Landing; "Occupied Sites" means those Undeveloped Sites or Unoccupied Sites within the Project which become occupied by bona fide independent third party tenants paying Market Rate Rent pursuant to leases written on Sun's standard from lease for Leesburg Landing and who have delivered to the landlord the security deposit required by their respective leases; "Market Rate Rent" means the current rental rates in effect at Leesburg Landing at the time the tenant entered into its lease, excluding any discounts, free rent or other incentives offered to new tenants. If any Unoccupied Sites become Occupied Sites prior to the Contribution Date, the value of Common OP Units to be issued on the Contribution Date shall increase by $6,593.41 for each new Occupied Site and the value of Common OP Units to be issued pursuant to Section 2.4 shall decrease by the same amount.

2.6 If during the two (2) year period immediately following each quarterly issuance of

Common OP Units under Section 2.4 the highest average closing stock price of the REIT for any five (5) consecutive business days (the "New Average Florida Stock Price") does not, at a minimum, equal the Florida Stock Price used when determining the number of Common OP Units issued pursuant to Section 2.4 and the Stock Price used in Section 2.4 was less than $28.50 per share, Sun will issue additional Common OP Units to the Contributor (the "Additional Florida Issuance") equal to the difference between the number of Common OP Units issued to the Contributor with respect to each quarter and (i) the number of Common OP Units which would have been issued to the Contributor if the New Average Florida Stock Price had been used in determining the number of such Common OP Units to be issued pursuant to Section 2.4, or (ii) the number of Common OP Units which would have been issued to the Contributor if the average closing stock price per share of the REIT during the five (5) business days immediately prior to the applicable dividend declaration date had been used in determining the number of such Common OP Units to be issued pursuant to Section 2.4, whichever is less.

2.7 If prior to two (2) years after the issuance of all of the Common OP Units pursuant to this Agreement the common stock of the REIT shall be effected by any recapitalization, merger, consolidation, reorganization, stock dividend, stock split or other change in capitalization affecting the common stock of the REIT, the formula for the issuance of additional Common OP Units set forth above shall be appropriately adjusted to prevent the dilution or enlargement of the rights and obligations of Sun and the Contributor pursuant to Sections 2.2 and 2.6 which may otherwise result due to such event or transaction.

2.8 The Common OP Units to be issued to the Contributor pursuant to the terms hereof shall be governed by Sun's Second Amended and Restated Limited Partnership Agreement, dated as of April 30, 1996, as amended (the "Sun Partnership Agreement"), a copy of which is attached hereto as Exhibit "2.5(a)" and made a part hereof, as such Sun Partnership Agreement shall be amended on the Contribution Date only to reflect the admission of the Contributor as a limited partner and the issuance of such Common OP Units to the Contributor. In addition, effective as of the Contribution Date, the Contributor and the REIT shall enter into a Registration Rights Agreement in the form attached hereto as Exhibit "2.5(b)", and each Contributor shall execute and deliver such investment and subscription documents as Sun shall reasonably require in connection with the issuance of the Common OP Units and represent and warrant that such Contributor and each equity owner of such Contributor which is a corporation or partner is a Michigan resident and an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

3. PERMITTED EXCEPTIONS.

3.1 The Project shall be conveyed to Sun subject only to the following matters (the "Permitted Exceptions"):

(a) Those liens, encumbrances, easements and other matters set forth on Schedule B of the Commitment to be delivered pursuant to Section 4.1 hereof which Sun does not designate as Title Defects pursuant to Section 5.1 hereof;

(b) The rights of parties in occupancy of all or any portion of the Land and Improvements under leases, subleases or other written agreements, to the extent set forth and described in the current Rent Roll attached hereto as Exhibit "3.1(c), as the same shall

be updated to the Contribution Date; and

(c) All presently existing and future liens for unpaid real estate taxes, assessments for public improvements installed after the Contribution Date, and water and sewer charges and rents, subject to adjustment thereof as hereinafter provided.

4. EVIDENCE OF TITLE; SURVEY; LIEN SEARCHES.

4.1 Within thirty (30) days after the date hereof, the Contributor shall furnish Sun with a commitment (the "Commitment") for an A.L.T.A. Form B Owner's Policy of Title Insurance covering the Project, without standard exceptions, issued by a nationally recognized title insurance company reasonably acceptable to Sun (the "Title Company"), along with copies of all instruments described in Schedule B of the Commitment, in the amount of One Million Five Hundred Thousand and 00/100 Dollars ($1,500,000.00), and showing marketable and insurable title in the Contributor subject only to: (a) the Permitted Exceptions; and (b) such other title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the Closing, and which the Contributor has the right to remove and shall cause to be removed at or prior to Closing (the "Removable Liens"). At Closing, the Contributor shall cause to be provided to Sun, at Sun's expense, a policy of title insurance issued pursuant to the Commitment, insuring the interest in the Project being acquired by Sun without the "standard exceptions" and containing such additional endorsements as Sun shall reasonably request.

4.2 Within thirty (30) days after the date hereof, the Contributor shall furnish Sun with a current ALTA "as built" survey (the "Survey") of the Project prepared by a licensed surveyor or engineer approved by Sun, certified to Sun, the Title Company, and any other parties designated by Sun, using the form attached as Exhibit "4.2" hereto, or such other form of Survey and certificate as Sun may designate. The Survey shall show the legal description of the Land, the total acreage of each parcel comprising such Land, all structures and improvements located thereon (other than manufactured homes), all boundaries, courses and dimensions, set-back lines, easements and rights of way (including any recording references), the location of all highways, streets and roads upon or adjacent to such Land, and the location of all utility lines and connections with such utility lines. The Survey shall be sufficient for removal of the standard survey exception from the policy of title insurance to be issued pursuant to the Commitment and shall not reveal any of the following: (i) encroachments on the Project or any portion thereof from any adjacent property, (ii) the encroachment of the Project, or any portion thereof, on any adjacent property, or (iii) any violation by any portion of the Project of any recorded building liens, restrictive covenants or easements affecting the Project. The Survey shall be in form and content acceptable to Sun and its lenders. The cost of the Survey shall be borne by Sun, unless this Agreement terminates for any reason other than the default of Sun, in which case, the Contributor shall pay the cost of the Survey.

4.3 Prior to the Contribution Date, the Contributor shall deliver to Sun Uniform Commercial Code financing statement and tax lien searches with respect to the Contributor and the Project from the State of Florida, the County of Lake, Florida, and the State of Contributor's principal residence, if not Florida, dated within ten (10) days prior to the Closing, showing no security interests, pledges, liens, claims or encumbrances in or affecting the Project including the Personal Property, except for security interests of a definite or ascertainable amount which may be removed by the payment of money at Closing and which the Contributor has a right to, and do remove at Closing.

5. TITLE OBJECTIONS.

5.1 If the Commitment or Survey discloses exceptions which are not acceptable to Sun, in its sole discretion, other than the Removable Liens, Sun shall notify the Contributor in writing of its objections to such exceptions (the "Title Defects"), and the Contributor agrees to use his best efforts to cure any such Title Defects. If Sun objects to any exception disclosed on the Commitment or Survey, such exception shall not be treated as a Permitted Exception hereunder. If the Contributor fails to have the Title Defects deleted from the Commitment or Survey, as the case may be, or discharged within ten (10) days after receipt of notice from Sun (or such longer time period designated by Sun) or to remove the Removable Liens at or prior to Closing as required herein, Sun may: (a) terminate this Agreement by delivery of written notice to the Contributor, whereupon neither the Contributor nor Sun shall have any further duties or obligations under this Agreement other than the Contributor's obligation to pay legal fees for the drafting of this Agreement as described in Section 19.1 and reimburse Sun for certain expenses as set forth herein; (b) elect to take title as it then is, and for purposes of determining the number of Common OP Units to be issued to the Contributor pursuant to Sections 2.1 and 2.4 hereof, reduce the Agreed Value by the actual cost, up to a maximum sum of $50,000.00, incurred or to be incurred by Sun to cure such Title Defects, and the actual amount paid to remove the Removable Liens; or (c) extend for up to ninety (90) days the period for the Contributor to cure such Title Defects, and if such Title Defects are not deleted during the extended period, Sun may then exercise its rights under subparagraphs (a) or (b) above. If the Contributor causes such Title Defects to be deleted from the Commitment, the Closing shall be held within seven (7) days after delivery of the revised Commitment and Survey or on the Closing Date specified in Section 18 hereof, whichever is later.

6. INFORMATION AND ACCESS TO PROJECT.

6.1 Within five (5) days after the complete execution hereof, the Contributor shall deliver to Sun, or make available at the office of the Project, and thereafter Sun shall have access to, the following:

(a) Copies of all leases, subleases, occupancy and tenancy agreements, and written commitments to lease currently in effect and covering any portion of the Project (the "Tenant Leases"); all collection and credit reports pertaining to the Tenant Leases; the monthly management and operating reports for the Project customarily prepared by or on behalf of the Contributor for the last twelve (12) calendar months; and the Project's operating budget for the current year;

(b) The prospectus for the Project, and copies of all equipment leases, service, utility, supply, maintenance, concession and employment contracts, agreements, and other continuing contractual obligations (collectively the "Project Contracts") affecting the ownership or operation of the Project;

(c) Annual statements of the results of the operation of the Project for each of the last three (3) full calendar years, and copies of federal tax returns for the Contributor covering the Contributor's last three (3) fiscal years;

(d) Architectural drawings, plans and specifications and site plans for the

Project, to the extent available;

(e) Copies of all written notices of any zoning, safety, building, fire, environmental, health code or other violation relating the Project and not cured prior to the date hereof; and

(f) All other financial data, operating data, contracts, leases, instruments, invoices and other writings relating to the Project which Sun may reasonably request, including, without limitation, tax bills and correspondence with the tax assessor, rent rolls for the past two years, information concerning capital improvements installed by the Contributor, information concerning historical rent increases imposed by the Contributor, a list of recurring services not furnished to the Project through the Project Contracts, information concerning any pending or threatened litigation, utility bills for the past two (2) years, insurance policies and information regarding insurance claims, certificates of occupancy, existing environmental reports, appraisals and market studies, and the organizational documents of the Project's homeowners association, if organized, and any agreements between the Contributor and such homeowners association.

6.2 At all reasonable times from and after the date hereof, the Contributor shall afford Sun and its representatives full and free access to the Project, including, but not limited to, the right to conduct environmental, soil, engineering and other tests and to inspect the mechanical, plumbing and utility systems located at the Project, together with all other aspects of the Project; provided, however, if Sun or its representatives enter upon the Project pursuant to the terms hereof, Sun agrees to indemnify and hold the Contributor harmless from all damage caused to any person or the Project as a result of such entry and the negligent acts or omissions of Sun or its representatives. Further, Sun shall have the right, at its expense, to cause its accountant to prepare audited financial statements of the operations at the Project for the calendar years ended December 31, 1993, December 31, 1994 and December 31, 1995, and for the period from January 1, 1996 through the calendar month preceding the Contribution Date, and the Contributor shall cooperate and assist it in all respects with the preparation of the audited financial statements. The Contributor shall furnish to Sun and its accountants all financial and other information in its possession or control to enable such accountants to prepare audited financial statements in conformity with Regulation S-X promulgated by the Securities and Exchange Commission ("SEC") and any registration statement, report or disclosure statement filed with, and any rule issued by, the SEC. The Contributor also shall provide a signed representation letter as prescribed by generally accepted auditing standards as promulgated by the Auditing Standards Divisions of the American Institute of Public Accountants which representation letter is required to enable an independent public accountant to render an opinion on such financial statements.

7. ASSIGNMENT OF LEASES, PROJECT CONTRACTS AND INTANGIBLES.

7.1 The Contributor shall assign to Sun on the Contribution Date all of the Contributor's rights under all Tenant Leases covering any portion of the Project and all security and other deposits furnished by tenants under the Tenant Leases. The Contributor shall deliver to Sun all original Tenant Leases and documents and records with respect thereto. The Contributor shall indemnify, defend and hold harmless Sun from and against any loss or damage suffered by Sun as the result of any breach of the lessor's obligations under the Tenant Leases which occurred prior to

the Contribution Date or as a result of the Contributor's failure to deliver any tenant security or other deposits to Sun. Sun shall indemnify, defend and hold harmless the Contributor from and against any loss or damage suffered by Contributor as the result of any breach of the lessor's obligations under the Tenant Leases which occurs subsequent to the Contribution Date.

7.2 All Project Contracts which Sun, in its sole discretion, has elected to accept an assignment of by notice to the Contributor on or prior to the Contribution Date shall be assigned by the Contributor to Sun on the Contribution Date. The Contributor shall indemnify, defend and hold harmless Sun from and against any loss or damage suffered by Sun as a result of any breach of the Contributor's obligations under the Project Contracts which occurred prior to the Contribution Date, whether or not Sun has elected to take an assignment of the Project Contract, or as a result of the Contributor's termination of the Project Contract which is not assigned to Sun. Sun shall indemnify, defend and hold harmless Contributor from and against any loss or damage suffered by Contributor as a result of any breach of Sun's obligations under the Project Contracts assigned to Sun at its request which may occur subsequent to the Contribution Date.

7.3 On the Contribution Date, the Contributor shall assign to Sun all of his right, title and interest in and to: (a) all licenses, permits and franchises then held by the Contributor for the Project which may be lawfully assigned and which may be necessary or desirable, in Sun's opinion, to operate the Project; (b) any warranties and guaranties from manufacturers, suppliers and installers pertaining to the Project; (c) the name "Leesburg Landing Manufactured Home Community", and all variations thereof; (d) the telephone number(s) for all of the Contributor's telephones installed at the Project; (e) all architectural drawings, plans and specifications and other documents in the Contributor's possession relating to the development of the Project; (f) all business, operating and maintenance records, reports, notices and other information concerning the Project; and (g) all other intangible property related to the Project (collectively, the "Intangible Property").

8. ADJUSTMENTS AND PRORATIONS.

8.1 The following adjustments and prorations shall be made at the Closing between the Contributor and Sun computed to, but not including, the Contribution Date.

(a) Real estate taxes and personal property taxes which are a lien upon or levied against any portion of the Project on or prior to the Contribution Date, and all special assessments levied prior to the Contribution Date shall be paid by the Contributor. All current real estate taxes and personal property taxes levied against any portion of the Project shall be prorated and adjusted between the parties in accordance with local custom and practice in Lake County, Florida, as mutually agreed to by the Contributor and Sun and shall be paid by the Contributor or Sun, as the case may be.

(b) The amount of all unpaid water and other utility bills, and of all other expenses incurred with respect to the Project, relating to the period prior to the Contribution Date, shall be paid by the Contributor.

(c) Charges under Project Contracts which are assigned to Sun at Sun's request shall be paid by the Contributor, to the extent attributable to the period prior to the Contribution Date, and shall be paid by Sun, to the extent attributable to the period after the

Contribution Date, and all charges due under Project Contracts not assigned to Sun shall be paid by the Contributor.

(d) All rental and other revenues collected by the Contributor up to the Contribution Date which are allocable to the period subsequent to the Contribution Date shall be paid by the Contributor to Sun. To the extent Sun collects, within ninety (90) days after the Closing, any rental or revenues allocable to the period prior to the Contribution Date, Sun shall pay the same to the Contributor; provided, however, Sun is assuming no obligation whatsoever for the collection of such rentals or revenues and all rentals and revenues collected subsequent to the Contribution Date shall always, in the first instance, be applied first to the most current rentals and revenues, if any, then due under the Tenant Leases or otherwise. Sun shall have no obligation to remit to the Contributor any such delinquent rents collected later than ninety (90) days after the Closing.

(e) All security and other deposits held under the Tenant Leases, together with any interest accrued thereon (to the extent applicable law requires interest to be paid by the holder of such deposits), shall be paid by the Contributor to Sun in accordance with the laws of the State of Florida or Sun shall receive an appropriate credit on the closing statement.

(f) Any real estate transfer tax, intangible tax, documentary tax, sales taxes, vehicle transfer, sales and use taxes and other taxes or charges levied on the transfer and conveyance of the Project, whether levied on the Land, Improvements, Personal Property or otherwise, shall be paid by Sun.

8.2 If after the closing either the Contributor or Sun discovers any inaccuracies or errors in the prorations or adjustments done at Closing, the Contributor and Sun shall take all action and pay all sums necessary so that the said prorations and adjustments shall be in accordance with the terms of this Agreement, and the obligations of either party to pay any such amount shall survive the Contribution Date.

9. CONTRIBUTOR'S WARRANTIES.

9.1 The Contributor represents and warrants to Sun as of the date hereof, and as of the Contribution Date, the following with the understanding that each of the representations and warranties are material and have been relied on by Sun in connection herewith.

(a) True, correct and complete copies of the Tenant Leases, including all amendments and documents relating thereto, have been or will be delivered to Sun pursuant to Section 6.1(a) hereof; the Rent Roll attached hereto as Exhibits "3.1(c)", as updated to the Contribution Date, is and will be an accurate and complete rent roll describing each of the Tenant Leases, including the name of the tenant, the home site occupied by the tenant, the lease term, monthly rent, delinquencies in rent, deposits paid and any prepaid rent or credits due any tenant; except as set forth in the Rent Roll, each Tenant Lease is in full force and effect and not in default and no events have occurred which, with notice or the passage of time, or both, would constitute such a default; the lessor has performed all of its obligations under each Tenant Lease; and the Tenant Leases have not been modified nor have any concessions been made with respect thereto unless expressly described in the Rent Roll.

(b) The Project and its operation as a manufactured home community complies in all respects with all Permitted Exceptions applicable thereto and all applicable laws, ordinances, codes, rules and regulations, including those pertaining to zoning, access to disabled persons, building, health, safety and environmental matters. Except as otherwise disclosed in Exhibit "9.1(b)" attached hereto, the Contributor has not received any notices of, and the Contributor, after due inquiry, has no knowledge of any existing facts or conditions which may result in the issuance of, any violations of any building, zoning, safety, fire, environmental, health or other codes, laws, ordinances or regulations with respect to the Project, the appurtenances thereto or the maintenance, repair or operation thereof, which will not be cured by the Contribution Date, at the Contributor's expense.

(c) Except as otherwise disclosed in Exhibit "9.1(c)" attached hereto, the Contributor has not received notice of and, after due inquiry, has no knowledge of any existing, pending or threatened litigation or condemnation proceedings or other court, administrative or extra judicial proceedings with respect to or affecting the Project or any part thereof.

(d) Except as otherwise disclosed in Exhibit "9.1(d)" attached hereto, the Contributor has no knowledge of any assessments, charges, paybacks, or obligations requiring payment of any nature or description against the Project which remain unpaid, including, but not limited to, those for sewer, water or other utility lines or mains, sidewalks, streets or curbs. The Contributor, after due inquiry, has no knowledge of any public improvements having been ordered, threatened, announced or contemplated with respect to the Project which have not heretofore been completed, assessed and paid for.

(e) True and complete copies of all Project Contracts and the Prospectus for the Project, and all amendments thereto, have been delivered to Sun pursuant to Section 6.1 above; all Project Contracts are in full force and effect and not in default; all Project Contracts are listed in Exhibit "9.1(e)" attached hereto; and except as described in Exhibit "9.1(e)", there are no Project Contracts in force with respect to the Project which are not subject to cancellation upon not more than thirty (30) days notice without premium or penalty. The Prospectus for the Project, as amended, has been approved in accordance with the requirements of the Florida Mobile Home Act.

(f) The Contributor is the lawful owner of the Project and holds insurable and marketable title to the Project, free and clear of all liens and encumbrances other than the Permitted Exceptions and Removable Liens. The Contributor has and will have on the Contribution Date the power and authority to sell the Project to Sun and perform his obligations in accordance with the terms and conditions of this Agreement, and each person who executes this Agreement and all other instruments and documents in connection herewith, has or will have due power and authority to so act. On or before the Contribution Date, the Contributor will have complied with all applicable statutes, laws, ordinances and regulations of every kind or nature, in order to effectively convey and transfer all of the Contributor's right, title and interest in and to the Project to Sun in the condition herein required. The residents of the Project have not formed or organized, and do not otherwise operate as, a homeowners association or tenants association under Section 723 of the Florida Statutes, and accordingly, the Contributor has no obligation to notify the residents of the transfer of the Project contemplated herein.

(g) Since the date on which the Contributor commenced doing business at the Project, it has been insured with respect to risks normally insured against, and in amounts adequate to safeguard the Project. Exhibit "9.1(g)" attached hereto lists all insurance currently maintained for or with respect to the Project, including types of coverage, policy numbers, insurers, premiums, deductibles and limits of coverage.

(h) Neither this Agreement nor anything provided to be done herein by the Contributor, including, without limitation, the conveyance of all of the Contributor's right, title and interest in and to the Project as herein contemplated, violates or will violate any contract, agreement or instrument to which the Contributor is a party or bound and which affects the Project.

(i) The Contributor has not contracted for the furnishing of labor or materials to the Project which will not be paid for in full prior to the Contribution Date, and if any claim is made by any party for the payment of any amount due for the furnishing of labor and/or materials to the Project or the Contributor prior to the Contribution Date and a lien is filed against the Project as a result of furnishing such materials and/or labor, the Contributor will immediately pay the said claim and discharge the lien.

(j) All utility services, including water, sanitary sewer, gas, electric, telephone and cable television facilities, are available to the Project and each home site therein in sufficient quantities to adequately service the Project at full occupancy; and to the Contributor's knowledge, after due inquiry, there are no existing, pending or threatened plans, proposals or conditions which could cause the curtailment of any such utility service.

(k) The Project was constructed in conformity with all governmental rules, regulations, laws and ordinances applicable at the time the Project was constructed, all Permitted Exceptions, and all development orders and other requirements imposed by governmental authorities. Except as disclosed in Exhibit "9.1(k)" attached hereto, to the Contributor's knowledge, obtained after due inquiry: (i) there are no existing maintenance problems with respect to mechanical, electrical, plumbing, utility and other systems necessary for the operation of the Project, including, without limitation, all underground utility lines, water wells and roads; (ii) all such systems are in good working condition and are suitable for the operation of the Project; and (iii) there are no structural or physical defects in and to the Project, and there are no conditions currently existing on, in, under or around property adjacent to or surrounding the Project, which materially adversely affects, or could materially adversely affect, the Project or the operation thereof.

(l) Attached hereto as Exhibit "9.1(l)" is a true and complete list of all persons employed by the Contributor or the manager of the Project in connection with the operation and maintenance of the Project as of the date hereof, including name, job description, term of employment, average hours worked per week, current pay rate, description of all benefits provided such employees and the annual cost thereof. Except as provided in any employment contract furnished to Sun, all such employees are terminable at will.

(m) Leesburg Landing consists of 96 developed manufactured home sites, 136 undeveloped manufactured home sites, approximately 35 acres of Land, and the

improvements, amenities and recreational facilities listed in Exhibit "9.1(m)" attached hereto and made a part hereof. As of the date hereof, 50 manufactured home sites within Leesburg Landing are vacant, and for the calendar years 1994 and 1995, the average occupancy rates (with respect to developed manufactured home sites) at Leesburg Landing were 44% and 46%, respectively. All unoccupied developed manufactured home sites within Leesburg Landing which exist at the date of Closing, if any, will be in leasable condition without it being necessary to make any further improvements to permit a tenant to take possession of, and install a manufactured home on, such home site in accordance with the Contributor's standard form lease and the rules and regulations applicable to Leesburg Landing. The development and leasing of the 136 undeveloped manufactured home sites within Leesburg Landing will not violate any building, zoning, safety, fire, environmental, health or other codes, laws or regulations applicable thereto.

(n) To the Contributor's knowledge, obtained after due inquiry, Exhibit "9.1(n)" attached hereto contains a complete and accurate list of, and copies of, all licenses, certificates, permits and authorizations from any governmental authority of any kind which is required to develop, operate, use and maintain the Project as a manufactured home community; and all such licenses, certificates, permits and authorizations have been issued and are in full force and effect and on the Contribution Date shall, to the extent legally assignable or transferable, be transferred or assigned to Sun. The Contributor shall take all steps and execute all applications and instruments reasonably necessary to achieve such transfer or assignment.

(o) Exhibit "B" attached hereto contains a true and complete list of all Personal Property used in the operation of the Project; the Personal Property is in good working condition and adequate for the operation of the Project at full occupancy; and the Contributor will not sell, transfer, remove or dispose of any item of Personal Property from the Project on or prior to the Contribution Date, unless such item is replaced with a similar item of no lesser quality or value.

(p) There has not been, and prior to the Contribution Date will not be, discharged, released, generated, treated, stored, disposed of or deposited in, on or under the Project, and to the best of the Contributor's knowledge, the Project is free of and does not contain, any "toxic or hazardous substance", asbestos, urea formaldehyde insulation, PCBs, radioactive material, flammable explosives, underground storage tanks, or any other hazardous or contaminated substance (collectively, the "Hazardous Materials") prohibited, limited or regulated under the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, or under any other applicable federal, state or local statutes, regulations or ordinances (collectively the "Environmental Laws"), and there are no substances or conditions in or on the Project which may support a claim or cause of action under any of the Environmental Laws. The Contributor has no knowledge of any suit, action or other legal proceeding arising out of or related to any Environmental Laws with respect to the Project which is pending or threatened before any court, agency or government authority, and the Contributor has not received any notice that the Project is in violation of the Environmental Laws.

(q) Attached hereto as Exhibit "9.1(q)" are profit and loss statements for the Project for the 12-month periods ending December 31, 1993, December 31, 1994, and December 31, 1995 and the eight (8) month period ending August 31, 1996 (collectively, the "Financial Statements"). The Financial Statements are true, correct and complete in all respects, present fairly and accurately the financial position of the Project and the operation of the Project as at such dates and the results of its operations and earnings for the periods indicated thereon, and have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods indicated.

(r) The Contributor owns the right to use the names "Leesburg Landing Manufactured Home Community" in connection with the operation of the Project. The Contributor has not received notice of or is aware that the Contributor's use of such name infringes on or violates the rights of any third party.

(s) The Contributor is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

(t) The Contributor has delivered or will deliver to Sun true, correct and complete copies of the information and material referenced in Section 6.1 hereof. Nothing contained in this Agreement, the Exhibits attached hereto or the information and material delivered or to be delivered to Sun pursuant to the terms hereof, includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. The Contributor has not received any written notice of any fact which would materially adversely affect the Project or the operation thereof which is not set forth in this Agreement, the Exhibits hereto, or has not otherwise been disclosed to Sun in writing.

9.2 The provisions of Section 9.1 and all representations and warranties contained therein shall be true as of the Contribution Date and shall survive the closing of the transaction contemplated herein and the conveyance of the Project to Sun. The investigation by Sun and its employees, agents and representatives, of the financial, physical and other aspects of the Project shall not negate or diminish the representations and warranties of the Contributor contained herein.

10. CONDITIONS.

10.1 Sun's obligation to consummate the acquisition of the Project is expressly conditioned upon the following, each of which constitutes a condition precedent to Sun's obligations hereunder which, if not performed or determined to be acceptable to Sun on or before the Contribution Date (unless a different time for performance is expressly provided herein), shall permit Sun, at its sole option, to declare this Agreement null and void and of no further force and effect by written notice to the Contributor, whereupon neither the Contributor nor Sun shall have any further obligations hereunder to the other except for the Contributor's obligation to pay legal fees for the drafting of this Agreement as described in Section 19.1 and reimburse Sun for certain expenses as set forth herein (provided that Sun shall have the right to waive any one or all of said conditions).

(a) On the Contribution Date, title to the Project shall be in the condition

required herein, and the Title Company shall be in a position to issue the requisite policy of title insurance pursuant to the Commitment.

(b) The Contributor shall have complied with and performed all covenants, agreements and conditions on his part to be performed under this Agreement within the time herein provided for such performance.

(c) The Contributor's representations, warranties and agreements contained herein are and shall be true and correct as of the date hereof and as of the Contribution Date in all material respects.

(d) From and after the date hereof to the Contribution Date there shall have been no material adverse change in or to the Project or the business conducted thereon.

(e) Sun shall have obtained, at its sole cost and expense, prior to the expiration of the Investigation Period, a "Phase 1" environmental audit (the "Environmental Audit") of the Project, including the Land and Improvements included within the Project, addressed to Sun and its designated lenders, conducted by an independent environmental investigation and testing firm approved by Sun in its sole discretion, reflecting that the Project is free of and does not contain any Hazardous Materials, and otherwise in form and content acceptable to Sun, in its sole discretion. If the Environmental Audit discloses any condition which requires further review or investigation, Sun may obtain, at its sole expense, a "Phase 2" environmental audit of the Project in form and content acceptable to Sun, in its sole discretion, and the Contribution Date shall be extended to provide Sun with sufficient time to receive, review and approve such Phase 2 environmental audit. If this Agreement terminates for any reason other than the default of Sun, the Contributor shall reimburse Sun for the cost of the Environmental Audit, including any Phase 2 environmental audit.

11. PERIOD FOR INVESTIGATION.

11.1 Commencing on the date hereof, Sun shall have a period of sixty (60) days (the "Investigation Period") to inspect and investigate all aspects of the Project, including, without limitation, the physical condition of the Project, all items of income and expense arising from the Contributor's ownership and operation of the Project, and all documents relating thereto. In the event the Contributor has failed to deliver or make available to Sun the information and material required by Section 6.1 within five (5) days of the date hereof, the Investigation Period shall be extended for a period of time equal to the number of days from the required delivery date of each such item to the actual date of delivery of all such items. At any time prior to the expiration of the Investigation Period, as the same may have been extended pursuant to the provisions of this Section 11.1, and for any reason whatsoever, Sun may, at its option and in its sole and absolute discretion, terminate this Agreement.

11.2 If Sun notifies the Contributor in writing prior to the expiration of the Investigation Period, as the same may be extended, that it waives its right to terminate this Agreement as provided in Section 11.1 above (the "Investigation Notice"), its right under Section 11.1 to terminate this Agreement shall expire. If Sun does not send the Investigation Notice to the Contributor prior to the expiration of the Investigation Period, as the same may be extended, Sun, without further action, shall be deemed to have elected to terminate this Agreement, and Sun and

the Contributor shall have no further obligation to the other hereunder other than the Contributor's obligation to pay legal fees for the drafting of this Agreement as described in Section 19.1 and reimburse Sun for certain expenses as set forth herein.

12. OPERATION OF PROJECT.

12.1 From and after the date hereof to the Contribution Date, the Contributor shall: (a) continue to maintain, operate and conduct business at the Project in substantially the same manner as prior to the date hereof; (b) perform all regular and emergency maintenance and repairs with respect to the Project; (c) keep the Project insured against all usual risks and maintain in effect all insurance policies now maintained on the same; (d) not sell, assign or convey any right, title or interest in any part of the Project; and (e) not change the operation or status of the Project in any manner reasonably expected to impair or diminish its value; provided, however: (i) no Tenant Lease shall be executed or extended for a term in excess of one year; (ii) no Tenant Lease shall be executed or extended at a rental rate that is less than the present rental for such space within the Project; and (iii) the Contributor shall at or prior to the Contribution Date furnish Sun with a copy of each new or renewal lease.

12.2 Sun shall have the right, but not the obligation, to hire those employees of the Contributor and the Project's management agent who worked at or provided services to the Project, effective as of the Contribution Date. Upon the consummation of the transaction contemplated herein, such employees will remain employees of the Contributor or the manager unless expressly retained by Sun, and all compensation and fees due such employees, including any amount payable or that becomes payable as a result of the termination of the employees, and all costs and taxes attributable to such employment, shall be paid by the Contributor or the manager, as the case may be. Effective as of the Contribution Date, the Contributor shall terminate the existing manager of the Project and the Project Contracts not assigned to Sun.

13. DESTRUCTION OF PROJECT.

13.1 In the event any part of the Project shall be damaged or destroyed prior to the Contribution Date, the Contributor shall notify Sun thereof, which notice shall include a description of the damage and all pertinent insurance information. If the use or occupancy of the Project is materially affected by such damage or destruction or the cost to repair such damage or destruction exceeds Fifty Thousand and 00/100 Dollars ($50,000.00), Sun shall have the right to terminate this Agreement by notifying the Contributor within thirty (30) days following the date Sun receives notice of such occurrence, whereupon the Contributor and Sun shall not have any further obligation to the other hereunder other than the Contributor's obligation to pay legal fees for the drafting of this Agreement as described in Section 19.1 and reimburse Sun for certain expenses as set forth herein. If Sun does not elect to terminate this Agreement, or shall fail to notify the Contributor within the said thirty (30) day period, on the Contribution Date the Contributor shall assign to Sun all of the Contributor's right, title and interest in and to the proceeds of the fire and extended coverage insurance presently carried by or payable to the Contributor.

14. CONDEMNATION.

14.1 If, prior to the Contribution Date, either the Contributor or Sun receives or obtains notice that any governmental authority having jurisdiction intends to commence or has commenced proceedings for the taking of any portion of the Project by the exercise of any power of condemnation or eminent domain, or notice of any such taking is recorded among the public records of the State of Florida or Lake County, Sun shall have the option to terminate this Agreement by notifying the Contributor within thirty (30) days following Sun's receipt of such notice, in which event the Contributor and Sun shall not have any other or further liability or responsibility hereunder to the other, except the Contributor's obligation to pay legal fees for the drafting of this Agreement as described in Section 19.1 and reimburse Sun for certain expenses as set forth herein. If Sun does not elect to terminate this Agreement or shall fail to notify the Contributor within the thirty (30) day period, Sun shall close the transaction as if no such notice had been received, obtained or recorded or proceedings commenced, and in such event, any proceeds or awards made in connection with such taking shall be the sole property of Sun.

15. DEFAULT BY THE CONTRIBUTOR OR SUN.

15.1 In the event the Contributor shall fail to perform any of his obligations hereunder, Sun may, at Sun's option and in addition to all other rights available at law or in equity: (i) terminate this Agreement by written notice delivered to the Contributor at or prior to the Contribution Date; (ii) obtain specific performance of the terms and conditions hereof; or (iii) waive the Contributor's default and proceed to consummate the transactions with the Contributor, and for purposes of determining the number of Common OP Units to be issued to the Contributor pursuant to Sections 2.1 and 2.4, reduce the Agreed Value by an amount equal to the costs incurred by Sun to cure any default of the Contributor hereunder, up to a maximum reduction of $50,000.00.

15.2 In the event Sun does not elect to terminate this Agreement as permitted herein and the conditions precedent to Sun's obligation to purchase the Project has been satisfied or waived by Sun, and thereafter Sun fails to purchase the Project on the Contribution Date in accordance with the terms of this Agreement, the Contributor shall be entitled to terminate this Agreement and recover from Sun, as liquidated damages, the sum of FIFTY THOUSAND and 00/100 ($50,000.00) Dollars plus all third party out-of-pocket costs incurred by Contributor with respect to the transaction contemplated herein (the "Recovery"), the same being the Contributor's sole

remedy, and Sun shall have no further or other liability hereunder. The Contributor and Sun agree that in the event of a default by Sun under this Agreement, the Contributor's damages would be difficult or impossible to ascertain, and the amount of the Recovery represents a reasonable estimate of such damages. Neither Sun, nor any designee, transferee or assignee of Sun, nor any officers, directors, shareholders or partners, general or limited, of such designee, transferee or assignee, shall be personally or individually liable with respect to any obligation under this Agreement, all such personal and individual liability, if any, being hereby waived by the Contributor on his behalf and on behalf of all persons claiming by, through or under the Contributor.

16. LIABILITY AND INDEMNIFICATION.

16.1 Sun does not and shall not assume any liability for any claims arising out of the occurrence of any event or the existence of any condition prior to the Contribution Date with respect to the Project.

16.2 From and after the Contribution Date, the Contributor agrees to indemnify, defend and hold harmless Sun, and Sun's successors and assigns, from and against any and all claims, penalties, damages, liabilities, actions, causes of action, costs and expenses (including attorneys' fees), arising out of, as a result of or as a consequence of: (i) any property damage or injuries to persons, including death, caused by the occurrence of any event or the existence of any condition at the Project prior to the Contribution Date or in connection with the Contributor's use, possession, operation, repair and maintenance of the Project prior to the Contribution Date; (ii) any breach by the Contributor of any of his representations, warranties, or obligations set forth herein or in any other document or instrument delivered by the Contributor in connection with the consummation of the transactions contemplated herein; or (iii) clean up costs and future response costs incurred by Sun under the Environmental Laws arising with respect to or in connection with a condition which existed or any event which occurred prior to the Contribution Date.

17. EXISTING HOMES.

17.1 Sun will cause Sun Home Services, Inc. ("SHS"), an affiliate of Sun, to purchase from the Contributor (i) the one (1) new 1996 model manufactured home recently installed at the Project, (ii) the one (1) used model home installed at the Project, and (iii) eight (8) manufactured homes located at the Project and leased or available for lease to residents (the "Leased Homes") for an aggregate price of $363,000.00, payable in full on the Contribution Date. The model homes and Leased Homes are identified in Exhibit 17.1 attached hereto and made a part hereof. Simultaneously with the conveyance of the model homes and Leased Homes to SHS, Contributor shall assign to Sun the leases pursuant to which the Leased Homes are leased to residents of the Project (the "Home Leases"). Upon the complete execution of this Agreement, Contributor shall provide Sun copies of the Home Leases and with all information and documentation in its possession or control relating to his purchase and installation of the Leased Homes and model homes, including invoices, tax bills and MSOs.

18. CLOSING.

18.1 Subject to the provisions of Section 5.1, the closing ("Closing") of the transaction contemplated herein shall take place within thirty (30) days after the expiration of the Investigation

Period (the "Contribution Date"). The Contribution Date shall be designated by Sun on not less than five (5) days prior written notice to the Contributor. The Closing shall be held at the offices of Sun's attorneys, Jaffe, Raitt, Heuer & Weiss, Professional Corporation, One Woodward Avenue, Suite 2400, Detroit, Michigan 48226, or on or at such other time or place as Sun and the Contributor shall agree upon.

18.2 At Closing:

(a) The Contributor shall execute and deliver a Warranty Deed in recordable form conveying to Sun marketable and insurable title to the Land and Improvements, subject only to the Permitted Exceptions.

(b) The Contributor shall execute and deliver a Warranty Bill of Sale conveying the Personal Property to Sun, free and clear of any liens or encumbrances other than the Permitted Exceptions, and the Contributor shall execute and deliver to Sun, in proper form for transfer, the Certificates of Title pertaining to all vehicles and manufactured homes, if any, being conveyed to Sun or SHS hereunder.

(c) The Contributor shall execute and deliver to Sun, in form and content satisfactory to Sun and pursuant to Sections 7.1, 7.2, 7.3 and 17.1 hereof, an Assignment transferring to Sun all of the Contributor's right, title and interest in and to: (i) the Tenant Leases and all deposits relating thereto; (ii) the Project Contracts which Sun has elected to have assigned; (iii) the Intangible Property, and (iv) the Home Leases.

(d) The Contributor shall cause the Commitment referred to in paragraph 4.1 hereof to be recertified and updated to the Contribution Date, and shall cause the policy of title insurance to be issued to Sun pursuant to such updated Commitment together with such endorsements thereto as Sun shall request, at Sun's sole cost.

(e) The REIT and the Contributor shall execute and deliver amendments to the Sun Partnership Agreement and Sun's Restated Certificate of Limited Partnership admitting the Contributor as a limited partner of Sun and issuing the Common OP Units to the Contributor, upon the terms and subject to the conditions contained herein.

(f) The Contributor and the REIT shall enter into the Registration Rights Agreement in the form of Exhibit "2.5(b)" attached hereto, and the Contributor shall execute and deliver such investment and subscription documents as Sun shall reasonably require in connection with the issuance of the Common OP Units and reaffirm the representations and warranties contained in Section 9.1(s) hereof.

(g) The Contributor shall deliver to Sun a certificate confirming the truth and accuracy of the Contributor's representations and warranties hereunder, and the Rent Rolls, updated to the Contribution Date, and the prospectus for the Project then in effect, shall be certified as true and correct in all respects.

(h) The Contributor and Sun shall execute and cause to be delivered to tenants under the Tenant Leases and all other interested parties written notice of the transfer of the Project to Sun together with such other information or instructions as Sun shall deem

appropriate.

(i) The Contributor shall deliver to Sun originals of: (i) the Tenant Leases, including all amendments thereto and modifications thereof; (ii) all Project Contracts assigned to Sun; (iii) all architectural plans and specifications and other documents in the Contributor's possession pertaining to the development of the Project; and (iv) all collection, expense and business records and such other documentation reasonably necessary for Sun to continue the operation of the Project.

(j) The Contributor shall deliver to Sun an affidavit, in form acceptable to Sun, executed by the Contributor, certifying that the Contributor is not a non-resident alien such that the Contributor is not subject to tax under the Foreign Investment and Real Property Tax Act of 1980.

(k) Sun shall deliver to the Contributor certificates or such other instruments reasonably necessary to evidence that the execution and delivery of this Agreement and all documents to be executed and delivered by Sun hereunder, have been authorized by Sun and that all persons or entities who have executed documents on behalf of Sun in connection with the transaction have due authority to act on behalf of Sun.

(l) The Contributor shall execute and deliver to Sun a discontinuation of any assumed name certificate whereby the Contributor has reserved the right to conduct business under the name "Leesburg Landing Manufactured Home Community" and all variations thereof.

(m) The Contributor and Sun shall each deliver to the other such other documents or instruments as shall reasonably be required by such party, its counsel or the Title Company to consummate the transaction contemplated herein and/or to cause the issuance of the policy of title insurance which, in all events, shall not increase such party's liability hereunder or decrease such party's rights hereunder.

19. COSTS.

19.1 Sun and the Contributor shall each be responsible for their own counsel fees and travel expenses; provided, however that the Contributor shall pay the lesser of (i) one half of the legal fees incurred by Sun's attorneys, Jaffe, Raitt, Heuer & Weiss, Professional Corporation, in preparing the initial draft of this Agreement and all Exhibits hereto or (ii) Two Thousand and 00/100 Dollars ($2,000.00). Except as otherwise set forth in this Section 19.1, and subject to reimbursement upon the termination of this Agreement as elsewhere provided herein, Sun shall pay all documentary, intangible and transfer taxes due on the conveyance of the Project to Sun, sales, transfer and other taxes due on the transfer of any vehicles and manufactured homes to Sun, title insurance premiums for Sun's policy of title insurance, the cost of the Survey, Environmental Audit and any necessary financial audit, its due diligence costs, and all recording fees for the deeds. Escrow fees, if any, shall be borne equally by the Contributor and Sun.

20. BROKERS.

20.1 Sun and the Contributor represent and warrant to the other that they have not had any direct or indirect dealings with any real estate brokers, salesmen or agents in connection with the Project, or the transactions contemplated herein, except James Devine (the "Broker"), whose commission, if any, shall be paid by Sun. In consideration of said warranty, Sun agrees with the Contributor that it will pay, and will defend and hold the Contributor harmless from and against any and all finder's and/or broker's commissions due or claimed to be due on account of the transactions contemplated herein and arising out of contracts made by Sun, including, without limitation, contracts with or claims of the Broker, and the Contributor agrees with Sun that he will pay, and will defend and hold Sun harmless from and against any and all finder's and/or broker's commissions due or claimed to be due on account of the transactions contemplated herein and arising out of contracts made by the Contributor.

21. ASSIGNMENT.

21.1 Sun hereby reserves the right, on or before the Contribution Date, to assign all of its right, title and interest in and to this Agreement or to transfer its interest in the Project to any other person or entity, and upon notice of such assignment to the Contributor, all terms and conditions hereof shall apply equally to such assignee as if the assignee was the original party hereto.

22. CONTROLLING LAW.

22.1 This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan.

23. ENTIRE AGREEMENT.

23.1 This Agreement and the Exhibits attached hereto constitute the entire agreement between the parties hereto with respect to the transactions herein contemplated, and supersedes all prior agreements, written or oral, between the parties relating to the subject matter hereof. Any modification or amendment to this Agreement shall be effective only if in writing and executed by each of the parties hereto.

24. NOTICES.

24.1 Any notice from the Contributor to Sun or from Sun to the Contributor shall be deemed duly served upon receipt or refusal if (i) personally served, (ii) deposited in the U.S. certified mail, return receipt requested, (iii) sent by telephone facsimile with fax acceptance sheet verifying receipt, or (iv) sent via "overnight" courier service, addressed to such party as follows:

If to the Contributor: Mr. Donald Smith
c/o Ms. Susan Smith
13015 Sandehurst Ct.
Grand Blanc, Michigan 48439
Fax No. (810) 695-4020

With a copy to: John Wolf, Esq.

Joseph, Wolf, Endean & Stahle
3876 Fortune Blvd.
Saginaw, MI 48603
Fax No. (517) 799-8692

If to Sun: Sun Communities, Inc.
31700 Middlebelt, Suite 145
Farmington Hills, Michigan 48334
Attn: Mr. Gary A. Shiffman
Fax No. (810) 932-3072

With a copy to: Richard A. Zussman
Jaffe, Raitt, Heuer & Weiss
Professional Corporation
One Woodward Avenue, Suite 2400
Detroit, Michigan 48226
Fax No. (313) 961-8358

Either party hereto may change the name and address of the designee to which notice shall be sent by giving written notice of such change to the other party hereto as hereinbefore provided.

25. BINDING.

25.1 The terms hereof shall be binding upon and shall inure to the benefit of the parties hereto, their successors, transferees and assigns.

26. PARAGRAPH HEADINGS.

26.1 The captions in this Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

27. SURVIVAL AND BENEFIT.

27.1 Except as otherwise expressly provided herein, each agreement, representation or warranty made in this Agreement by or on behalf of either party, or in any instruments delivered pursuant hereto or in connection herewith, shall survive the Contribution Date and the consummation of the transactions provided for herein.

27.2 The covenants, agreements and undertakings of each of the parties hereto are made solely for the benefit of, and may be relied on only by, the other party hereto, their transferees and assigns, and are not made for the benefit of, nor may they be relied upon, by any other person whatsoever.

27.3 This Agreement shall not be construed more strictly against one party then against the other, merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Sun and the Contributor have contributed substantially and materially to the preparation of this Agreement.

28. COUNTERPARTS.

28.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed one in the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

IN THE PRESENCE OF:

_____

_____

CONTRIBUTOR:

/s/ Donald L. Smith

_____

DONALD L. SMITH,
INDIVIDUALLY, A SINGLE MAN

"SUN":
SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP, a Michigan limited partnership

By: Sun Communities, Inc., its General Partner

/s/ Jonathan M. Colman

By:_____

Jonathan M. Colman, Vice President

LIST OF EXHIBITS

EXHIBIT	DESCRIPTION
1.	Legal Description of Continental Estates Land
B	Schedule of Personal Property
2.5(a)	Sun Partnership Agreement
2.5(b)	Registration Rights Agreement
3.1(c)	Rent Roll
4.2	Surveyor's Certification
9.1(b)	Violations
9.1(c)	Litigation and Condemnation Proceedings
9.1(d)	Assessments and Other Charges
9.1(e)	Project Contracts
9.1(g)	Summary of Insurance
9.1(k)	Maintenance Problems
9.1(l)	List of Employees
9.1(m)	List of Leesburg Landing Facilities
9.1(n)	Licenses, Authorizations and Permits
9.1(q)	Project Financial Statements
17.1	Model Homes and Leased Homes

EXHIBIT 2.4

CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT is made and entered into this 30th day of September, 1996, by and among DONALD L. SMITH ("Smith"), individually, a single man, and S&K SMITH CO., a Michigan co-partnership ("S&K"; S&K and Smith are sometimes hereinafter collectively referred to as the "Contributors"), and SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP ("Sun"), a Michigan limited partnership having its principal office at 31700 Middlebelt, Suite 145, Farmington Hills, Michigan 48334, or its designee or assignee.

R E C I T A L S:

A. The Contributors are the owners of parcels of real property (the "Continental Land") located in the City of Davison, Genesee County, Michigan, containing 386 developed manufactured home sites on approximately 60 acres, commonly known as Continental Estates Manufactured Home Community ("Continental Estates"), as more fully described in Exhibit "A" attached hereto and made a part hereof, together with the buildings, structures, improvements and manufactured home sites on, above or below the Continental Land, and all fixtures attached to, a part of or used in connection with the improvements, structures, buildings and manufactured home sites, and the parking, facilities, walkways, ramps and other appurtenances relating to the Continental Land (collectively the "Continental Improvements").

B. The Contributors are the owners of parcels of real property (the "Continental North Land") located in the City of Davison, Genesee County, Michigan, containing 334 developed manufactured home sites and 80 undeveloped manufactured home sites on approximately 80 acres, commonly known as Continental North Manufactured Home Community ("Continental North"), as more fully described in Exhibit "B" attached hereto and made a part hereof, together with the buildings, structures, improvements and manufactured home sites on, above or below the Continental North Land, and all fixtures attached to, a part of or used in connection with the improvements, structures, buildings and manufactured home sites, and the parking, facilities, walkways, ramps and other appurtenances relating to the Continental North Land (collectively the "Continental North Improvements").

C. The Contributors are the owners of parcels of real property (the "Davison East Land"; the Davison East Land, Continental Land, and Continental North Land are sometimes hereinafter collectively referred to as the "Land") located in the City of Davison, Genesee County, Michigan, containing 190 developed manufactured home sites on approximately 24 acres, commonly known as Davison East Manufactured Home Community ("Davison East"), as more fully described in Exhibit "C" attached hereto and made a part hereof, together with the buildings, structures, improvements and manufactured home sites on, above or below the Davison East Land, and all fixtures attached to, a part of or used in connection with the improvements, structures, buildings and manufactured home sites, and the parking, facilities, walkways, ramps and other appurtenances relating to the Davison East Land (collectively the "Davison East Improvements"; the Davison East Improvements, Continental Improvements, and Continental North Improvements are sometimes hereinafter collectively referred to as the "Improvements").

D. The Contributors are the owners of all machinery, equipment, goods, vehicles, manufactured homes and other personal property (collectively the "Personal Property") described in Exhibits "D1", "D2" and "D3", attached hereto and made a part hereof, which is located at or useable in connection with the ownership or operation of the Continental Land and Continental Improvements, Continental North Land and Continental North Improvements, and the Davison East Land and Davison East Improvements, respectively. The Personal Property does not include the Leased Homes (as defined in Section 18 below).

E. The Land, the Improvements, and the Personal Property, together with all of the Contributors' right, title and interest in and to all licenses, permits and franchises issued with respect to the use, occupancy, maintenance or operation of the Land and Improvements, all right, title and interest, if any, of the Contributors in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Land to the center line thereof, all easements appurtenant to the Land, including, but not limited to, privileges or rights of way over adjoining premises inuring to the benefit of the Land, or the fee owner thereof, and all rights of use, air, mineral and subsurface rights, servitudes, licenses, tenements, hereditaments and appurtenances now or hereafter belonging to the foregoing are hereinafter sometimes collectively referred to as the "Projects". The Land, Improvements, and Personal Property relating to one of manufactured housing communities is sometimes individually referred to as a "Project".

F. The Contributors desire to contribute the Projects to Sun, and Sun desires to accept the contribution of the Projects from the Contributors, all upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises, and the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. AGREEMENT TO CONTRIBUTE.

1.1 The Contributors agree to contribute the Projects to Sun, and Sun agrees to accept the Projects from the Contributors, in accordance with the terms and subject to the conditions hereinafter set forth.

2. CONSIDERATION.

2.1 The parties agree that the aggregate value (the "Agreed Value") of the Projects, exclusive of the 80 undeveloped manufactured home sites within Continental North, is Sixteen Million and 00/100 ($16,000,000.00) Dollars less (i) the amount necessary to payoff in full the Mortgages (as defined in Section 3.1(a), including all costs and prepayment fees related thereto, anticipated to be approximately Two Million Eight Hundred Thousand and 00/100 Dollars ($2,800,000.00), (ii) the costs incurred by Sun for the policy of title insurance and endorsements thereto to be issued pursuant to Section 19.2(e) hereof, the Surveys to be obtained pursuant to Section 4.2 and the Environmental Audits to be obtained pursuant to Section 10.1(e), and (iii) the sum of all transfer, documentary, intangible, sales, use and other taxes paid by Sun pursuant to the terms hereof as a result of the transfer of the Projects to Sun. In consideration for the contribution of the Projects (exclusive of the 80 undeveloped manufactured home sites within Continental North) to Sun, on the Contribution Date Sun shall issue to the Contributors the number of Common OP Units (such term having the meaning assigned to it in Sun's Second Amended and Restated Limited Partnership Agreement) equal to a fraction in which the numerator is the Agreed Value and the denominator is the "Stock Price". The Stock Price shall mean (i) $1.00 over the Base Price (as defined below) if such Base Price is $27.50 per share or less; (ii) $28.50 if the Base Price is greater than $27.50 and less than $28.50; and (iii) the Base Price if the Base Price is $28.50 or more. The Base Price will equal the average closing stock price per share of the common stock of Sun Communities, Inc. (the "REIT") during the five (5) business days immediately prior to the Contribution Date.

2.2 If during the two (2) year period immediately following the Contribution Date the highest average closing stock price of the REIT for any five (5) consecutive business days (the "New Average Stock Price") does not, at a minimum, equal the Stock Price used when determining the number of Common OP Units issued pursuant to Section 2.1 and the Stock Price used in Section 2.1 was less than $28.50 per share, Sun will issue additional Common OP Units to the Contributors (the "Additional Issuance") equal to the difference between the number of Common OP Units issued to the Contributors at closing and (i) the number of Common OP Units which would have been issued to the Contributors if the New Average Stock Price had been used as the Stock Price in determining the number of such Common OP Units to be issued pursuant to Section 2.1, or (ii) the number of Common OP Units which would have been issued to the Contributors if the Base Price had been used as the Stock Price in determining the number of such Common OP Units to be issued pursuant to Section 2.1, whichever is less.

2.3 The Common OP Units issued pursuant to Section 2.1 shall be issued effective as of one day after the REIT's dividend record date immediately following the Contribution Date. The Common OP Units issued pursuant to Section 2.2, if any, shall be issued effective as of one day after the REIT's dividend record date immediately following the second anniversary of the Contribution Date. With respect to the calendar quarter in which the issuance of Common OP Units is effective, Sun will make a payment to the Contributors per Common OP Unit equal to the product of (x) the distribution per Common OP Unit for the REIT's record date immediately preceding the date the issuance of such Common OP Units is effective and (y) a fraction in which the numerator is the number of days from, but not including, the Contribution Date (with respect to Common OP Units issued pursuant to Section 2.1) or the second anniversary of the Contribution Date (with respect to any Common OP Units that may be issued pursuant to Section 2.2) to the end of the calendar quarter and the denominator is the number of days in the calendar quarter in which falls the Contribution Date (with respect to Common OP Units issued pursuant to Section 2.1) or the second anniversary of the Contribution Date (with respect to any Common OP Units that may be issued pursuant to Section 2.2). Such payment shall be made on the date the REIT's dividend payment is made for such calendar quarter.

2.4 If prior to the second anniversary of the Contribution Date, the common stock of the REIT shall be effected by any recapitalization, merger, consolidation, reorganization, stock dividend, stock split or other change in capitalization affecting the common stock of the REIT, the formula for the issuance of additional Common OP Units set forth above shall be appropriately adjusted to prevent the dilution or enlargement of the rights and obligations of Sun and the Contributors pursuant to Section 2.2 which may otherwise result due to such event or transaction.

2.5 The Common OP Units to be issued to the Contributors pursuant to the terms hereof shall be governed by Sun's Second Amended and Restated Limited Partnership Agreement, dated as of April 30, 1996, as amended (the "Sun Partnership Agreement"), a copy of which is attached hereto as Exhibit "2.5(a)" and made a part hereof, as such Sun Partnership Agreement shall be amended on the Contribution Date only to reflect the admission of the Contributors as limited partners and the issuance of such Common OP Units to the Contributors. In addition, effective as of the Contribution Date, the Contributors and the REIT shall enter into a Registration Rights Agreement in the form attached hereto as Exhibit "2.5(b)", and each Contributor shall execute and deliver such investment and subscription documents as Sun shall reasonably require in connection with the issuance of the Common OP Units and represent and warrant that such Contributor and each equity owner of such Contributor which is a corporation or partner is a Michigan resident and an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

2.6 In addition to the issuance of Common OP Units pursuant to Sections 2.1 and 2.2, Sun shall also pay the Contributors an additional sum (the "Cash Purchase Price") of Two Hundred

Forty Thousand and 00/100 Dollars ($240,000.00) for the 80 undeveloped manufactured home sites within Continental North (the "Undeveloped Sites"). After the Contribution Date, Sun shall proceed in good faith and with due diligence to complete the development of the Undeveloped Sites. The Cash Purchase Price is payable from time to time, in accordance with the following procedures.

(a) Sun shall pay to the Contributors the sum of Three Thousand and 00/100 Dollars ($3,000.00) for each Undeveloped Site which becomes an Occupied Site. "Occupied Sites" means those Undeveloped Sites actually occupied by bona fide independent third party tenants paying Market Rate Rent pursuant to leases written on Sun's standard from lease for Continental North and who have delivered to the landlord the security deposit required by their respective leases. "Market Rate Rent" means the current rental rates in effect at Continental North at the time the tenant entered into its lease, excluding any discounts, free rent or other incentives offered to new tenants. The payments under this Section 2.6(a) shall be due within thirty (30) days after a total of ten (10) Undeveloped Sites become Occupied Sites and shall cover all sites which became Occupied Sites since the last such application, or if there was no previous application, since the Contribution Date. Rent payable under leases for the Occupied Sites prior to the payment of the Cash Purchase Price therefor shall belong to Sun.

(b) If the entire Cash Purchase Price has not been paid by the third anniversary of the Contribution Date, the difference, without interest, between the Cash Purchase Price and all amounts previously paid pursuant to this Section 2.6, shall be paid to the Contributors on, or at Sun's option, before, the third anniversary of the Contribution Date.

3. PERMITTED EXCEPTIONS.

3.1 The Projects shall be conveyed to Sun subject only to the following matters (the "Permitted Exceptions"):

(a) Those certain Mortgages (collectively, the "Mortgages"), encumbering the Projects, from the Contributors to NBD Bank, N.A. (the "Lender"), which Mortgages secure payment of certain promissory notes, identified, with their original and outstanding principal balances, on the Schedule of Mortgages attached hereto as Exhibit 3.1(a) and made a part hereof.

(b) Those liens, encumbrances, easements and other matters set forth on Schedule B of the Commitment to be delivered pursuant to Section 4.1 hereof which Sun does not designate as Title Defects pursuant to Section 5.1 hereof;

(c) The rights of parties in occupancy of all or any portion of the Continental Land and Continental Improvements, Continental North Land and Continental North Improvements and Davison East Land and Davison East Improvements, respectively, under leases, subleases or other written agreements, to the extent set forth and described in the current Rent Rolls (collectively, the "Rent Rolls" and individually, a "Rent Roll") attached hereto as Exhibits "3.1(c)-1", "3.1(2)-2" and 3.1(2)-3", respectively, as the same shall be updated to the Contribution Date; and

(d) All presently existing and future liens for unpaid real estate taxes, assessments for public improvements installed after the Contribution Date, and water and sewer charges and rents, subject to adjustment thereof as hereinafter provided.

4. EVIDENCE OF TITLE; SURVEY; LIEN SEARCHES.

4.1 Within thirty (30) days after the date hereof, the Contributors shall furnish Sun with a commitment (the "Commitment") for an A.L.T.A. Form B Owner's Policy of Title Insurance covering all of the Projects, without standard exceptions, issued by a nationally recognized title insurance company reasonably acceptable to Sun (the "Title Company"), along with copies of all instruments described in Schedule B of the Commitment, in the amount of Sixteen Million Two Hundred Forty Thousand and 00/100 Dollars ($16,240,000.00), and showing marketable and insurable title in the Contributors subject only to: (a) the Permitted Exceptions; and (b) such other title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the Closing, and which the Contributors have the right to remove and shall cause to be removed at or prior to Closing (the "Removable Liens"). At Closing, the Contributors shall cause to be provided to Sun, at Sun's expense, a policy of title insurance issued pursuant to the Commitment, insuring the interest in the Projects being acquired by Sun without the "standard exceptions" and containing such additional endorsements as Sun shall reasonably request.

4.2 Within thirty (30) days after the date hereof, the Contributors shall furnish Sun with a current ALTA "as built" survey (the "Surveys") for each of the Projects prepared by a licensed surveyor or engineer approved by Sun, certified to Sun, the Title Company, and any other parties designated by Sun, using the form attached as Exhibit "4.2" hereto, or such other form of Survey and certificate as Sun may designate. Each of the Surveys shall show the legal description of the Land to which such Survey relates, the total acreage of each parcel comprising such Land, all structures and improvements located thereon (other than manufactured homes), all boundaries, courses and dimensions, set-back lines, easements and rights of way (including any recording references), the location of all highways, streets and roads upon or adjacent to such Land, and the location of all utility lines and connections with such utility lines. Each of the Surveys shall be sufficient for removal of the standard survey exception from the policy of title insurance to be issued pursuant to the Commitment and shall not reveal any of the following: (i) encroachments on a Project or any portion thereof from any adjacent property, (ii) the encroachment of a Project, or any portion thereof, on any adjacent property, or (iii) any violation by any portion of a Project of any recorded building liens, restrictive covenants or easements affecting such Project. Each of the Surveys shall be in form and content acceptable to Sun and its lenders. The cost of the Surveys shall be borne by Sun, unless this Agreement terminates for any reason other than the default of Sun, in which case, the Contributors shall pay the cost of the Surveys.

4.3 Prior to the Contribution Date, the Contributors shall deliver to Sun Uniform Commercial Code financing statement and tax lien searches with respect to each of the Contributors from the State of Michigan, the County of Genesee, Michigan, and the State of each Contributor's principal office, if not Michigan, dated within ten (10) days prior to the Closing, showing no security interests, pledges, liens, claims or encumbrances in or affecting the Projects including the Personal Property, except for security interests of a definite or ascertainable amount which may be removed by the payment of money at Closing and which the Contributors have a right to, and do remove at Closing and security interests relating to the Mortgages.

5. TITLE OBJECTIONS.

5.1 If the Commitment or any Survey discloses exceptions which are not acceptable to Sun, in its sole discretion, other than the Removable Liens, Sun shall notify the Contributors in writing of its objections to such exceptions (the "Title Defects"), and the Contributors agree to use their best efforts to cure any such Title Defects. If Sun objects to any exception disclosed on the Commitment or a Survey, such exception shall not be treated as a Permitted Exception hereunder. If the Contributors fail to have the Title Defects deleted from the Commitment or Survey, as the case may be, or discharged within ten (10) days after receipt of notice from Sun (or such longer time period designated by Sun) or to remove the Removable Liens at or prior to Closing as required herein, Sun may: (a) terminate this Agreement by delivery of written notice to the Contributors,

whereupon neither the Contributors nor Sun shall have any further duties or obligations under this Agreement other than the Contributors' obligation to pay legal fees for the drafting of this Agreement as described in Section 20.1 and reimburse Sun for certain expenses as set forth herein; (b) elect to take title as it then is, and for purposes of determining the number of Common OP Units to be issued to the Contributors pursuant to Section 2.1, reduce the Agreed Value by the actual cost, up to a maximum sum of $50,000.00, incurred or to be incurred by Sun to cure such Title Defects, and the actual amount paid to remove the Removable Liens; or (c) extend for up to ninety (90) days the period for the Contributors to cure such Title Defects, and if such Title Defects are not deleted during the extended period, Sun may then exercise its rights under subparagraphs (a) or (b) above. If the Contributors cause such Title Defects to be deleted from the Commitment, the Closing shall be held within seven (7) days after delivery of the revised Commitment and Survey or on the Closing Date specified in Section 19 hereof, whichever is later.

6. INFORMATION AND ACCESS TO PROJECT.

6.1 Within five (5) days after the complete execution hereof, the Contributors shall deliver to Sun, or make available at the office of the Projects, and thereafter Sun shall have access to, the following:

(a) Copies of all leases, subleases, occupancy and tenancy agreements, and written commitments to lease currently in effect and covering any portion of the Projects (the "Tenant Leases"); all collection and credit reports pertaining to the Tenant Leases; the monthly management and operating reports customarily prepared by or on behalf of the Contributors for the last twelve (12) calendar months; and each Project's operating budget for the current year;

(b) The prospectus for each of the Projects, if applicable, and copies of all equipment leases, service, utility, supply, maintenance, concession and employment contracts, agreements, and other continuing contractual obligations (collectively the "Project Contracts") affecting the ownership or operation of the Projects;

(c) Annual statements of the results of the operation of each of the Projects for each of the last three (3) full calendar years, and copies of federal tax returns for the Contributors covering the Contributors' last three (3) fiscal years;

(d) Architectural drawings, plans and specifications and site plans for each of the Projects, to the extent available;

(e) Copies of all written notices of any zoning, safety, building, fire, environmental, health code or other violation relating to any of the Projects and not cured prior to the date hereof; and

(f) All other financial data, operating data, contracts, leases, instruments, invoices and other writings relating to the Projects which Sun may reasonably request, including, without limitation, tax bills and correspondence with the tax assessor, rent rolls for the past two years, information concerning capital improvements installed by the Contributors, information concerning historical rent increases imposed by the Contributors, a list of recurring services not furnished to the Projects through the Project Contracts, information concerning any pending or threatened litigation, utility bills for the past two (2) years, insurance policies and information regarding insurance claims, certificates of occupancy, existing environmental reports, appraisals and market studies, and the organizational documents of each Project's homeowners association, if organized, and any agreements between the Contributors and such homeowners association.

6.2 At all reasonable times from and after the date hereof, the Contributors shall afford Sun and its representatives full and free access to the Projects, including, but not limited to, the right to conduct environmental, soil, engineering and other tests and to inspect the mechanical, plumbing and utility systems located at the Projects, together with all other aspects of the Projects; provided, however, if Sun or its representatives enter upon a Project pursuant to the terms hereof, Sun agrees to indemnify and hold the Contributors harmless from all damage caused to any person or such Project as a result of such entry and the negligent acts or omissions of Sun or its representatives. Further, Sun shall have the right, at its expense, to cause its accountant to prepare audited financial statements of the operations at the Projects for the calendar years ended December 31, 1993, December 31, 1994 and December 31, 1995, and for the period from January 1, 1996 through the calendar month preceding the Contribution Date, and the Contributors shall cooperate and assist it in all respects with the preparation of the audited financial statements. The Contributors shall furnish to Sun and its accountants all financial and other information in its possession or control to enable such accountants to prepare audited financial statements in conformity with Regulation S-X promulgated by the Securities and Exchange Commission ("SEC") and any registration statement, report or disclosure statement filed with, and any rule issued by, the SEC. The Contributors also shall provide a signed representation letter as prescribed by generally accepted auditing standards as promulgated by the Auditing Standards Divisions of the American Institute of Public Accountants which representation letter is required to enable an independent public accountant to render an opinion on such financial statements.

7. ASSIGNMENT OF LEASES, PROJECT CONTRACTS AND INTANGIBLES.

7.1 The Contributors shall assign to Sun on the Contribution Date all of the Contributors' rights under all Tenant Leases covering any portion of any Project and all security and other deposits furnished by tenants under the Tenant Leases. The Contributors shall deliver to Sun all original Tenant Leases and documents and records with respect thereto. The Contributors shall indemnify, defend and hold harmless Sun from and against any loss or damage suffered by Sun as the result of any breach of the lessor's obligations under the Tenant Leases which occurred prior to the Contribution Date or as a result of the Contributors' failure to deliver any tenant security or other deposits to Sun. Sun shall indemnify, defend and hold harmless the Contributors from and against any loss or damage suffered by Contributors as the result of any breach of the lessor's obligations under the Tenant Leases which occurs subsequent to the Contribution Date.

7.2 All Project Contracts which Sun, in its sole discretion, has elected to accept an assignment of by notice to the Contributors on or prior to the Contribution Date shall be assigned by the Contributors to Sun on the Contribution Date. The Contributors shall indemnify, defend and hold harmless Sun from and against any loss or damage suffered by Sun as a result of any breach of the Contributors' obligations under the Project Contracts which occurred prior to the Contribution Date, whether or not Sun has elected to take an assignment of the Project Contract, or as a result of the Contributors' termination of any Project Contract which is not assigned to Sun. Sun shall indemnify, defend and hold harmless Contributors from and against any loss or damage suffered by Contributors as a result of any breach of Sun's obligations under the Project Contracts assigned to Sun at its request which may occur subsequent to the Contribution Date.

7.3 On the Contribution Date, the Contributors shall assign to Sun all of their right, title and interest in and to: (a) all licenses, permits and franchises then held by the Contributors for the Projects which may be lawfully assigned and which may be necessary or desirable, in Sun's opinion, to operate the Projects; (b) any warranties and guaranties from manufacturers, suppliers and installers pertaining to the Projects; (c) the names "Continental Estates Manufactured Home Community", "Continental North Manufactured Home Community", "Davison East Manufactured Home Community", and all variations thereof; (d) the telephone number(s) for all of the Contributors' telephones installed at the Projects; (e) all architectural drawings, plans and

specifications and other documents in the Contributors' possession relating to the development of the Projects; (f) all business, operating and maintenance records, reports, notices and other information concerning the Projects; and (g) all other intangible property related to the Projects (collectively, the "Intangible Property").

8. ADJUSTMENTS AND PRORATIONS.

8.1 The following adjustments and prorations shall be made at the Closing between the Contributors and Sun computed to, but not including, the Contribution Date.

(a) Real estate taxes and personal property taxes which are a lien upon or levied against any portion of a Project on or prior to the Contribution Date, and all special assessments levied prior to the Contribution Date shall be paid by the Contributors. All current real estate taxes and personal property taxes levied against any portion of a Project shall be prorated and adjusted between the parties in accordance with local custom and practice in Genesee County, Michigan, as mutually agreed to by the Contributors and Sun and shall be paid by the Contributors or Sun, as the case may be.

(b) The amount of all unpaid water and other utility bills, and of all other expenses incurred with respect to the Projects, relating to the period prior to the Contribution Date, shall be paid by the Contributors.

(c) Charges under Project Contracts which are assigned to Sun at Sun's request shall be paid by the Contributors, to the extent attributable to the period prior to the Contribution Date, and shall be paid by Sun, to the extent attributable to the period after the Contribution Date, and all charges due under Project Contracts not assigned to Sun shall be paid by the Contributors.

(d) All rental and other revenues collected by the Contributors up to the Contribution Date which are allocable to the period subsequent to the Contribution Date shall be paid by the Contributors to Sun. To the extent Sun collects, within ninety (90) days after the Closing, any rental or revenues allocable to the period prior to the Contribution Date, Sun shall pay the same to the Contributors; provided, however, Sun is assuming no obligation whatsoever for the collection of such rentals or revenues and all rentals and revenues collected subsequent to the Contribution Date shall always, in the first instance, be applied first to the most current rentals and revenues, if any, then due under the Tenant Leases or otherwise. Sun shall have no obligation to remit to the Contributors any such delinquent rents collected later than ninety (90) days after the Closing.

(e) All security and other deposits held under the Tenant Leases, together with any interest accrued thereon (to the extent applicable law requires interest to be paid by the holder of such deposits), shall be paid by the Contributors to Sun in accordance with the laws of the State of Michigan or Sun shall receive an appropriate credit on the closing statement.

(f) Any real estate transfer tax, intangible tax, documentary tax, sales taxes, vehicle transfer, sales and use taxes and other taxes or charges levied on the transfer and conveyance of the Projects, whether levied on the Land, Improvements, Personal Property or otherwise, shall be paid by Sun.

8.2 If after the closing either the Contributors or Sun discovers any inaccuracies or errors in the prorations or adjustments done at Closing, the Contributors and Sun shall take all action and pay all sums necessary so that the said prorations and adjustments shall be in accordance with the terms of this Agreement, and the obligations of either party to pay any such amount shall

survive the Contribution Date.

9. CONTRIBUTORS' WARRANTIES.

9.1 The Contributors, jointly and severally, represent and warrant to Sun as of the date hereof, and as of the Contribution Date, the following with the understanding that each of the representations and warranties are material and have been relied on by Sun in connection herewith.

(a) True, correct and complete copies of the Tenant Leases, including all amendments and documents relating thereto, have been or will be delivered to Sun pursuant to Section 6.1(a) hereof; the Rent Rolls attached hereto as Exhibits "3.1(c)-1", "3.1(c)-2" and "3.1(c)-3", as updated to the Contribution Date, are and will be an accurate and complete rent roll describing each of the Tenant Leases, including the name of the tenant, the home site occupied by the tenant, the lease term, monthly rent, delinquencies in rent, deposits paid and any prepaid rent or credits due any tenant; except as set forth in the Rent Rolls, each Tenant Lease is in full force and effect and not in default and no events have occurred which, with notice or the passage of time, or both, would constitute such a default; the lessor has performed all of its obligations under each Tenant Lease; and the Tenant Leases have not been modified nor have any concessions been made with respect thereto unless expressly described in the Rent Rolls.

(b) Each Project and its operation as a manufactured home community complies in all respects with all Permitted Exceptions applicable thereto and all applicable laws, ordinances, codes, rules and regulations, including those pertaining to zoning, access to disabled persons, building, health, safety and environmental matters. Except as otherwise disclosed in Exhibit "9.1(b)" attached hereto, the Contributors have not received any notices of, and the Contributors, after due inquiry, have no knowledge of any existing facts or conditions which may result in the issuance of, any violations of any building, zoning, safety, fire, environmental, health or other codes, laws, ordinances or regulations with respect to a Project, the appurtenances thereto or the maintenance, repair or operation thereof, which will not be cured by the Contribution Date, at the Contributors' expense.

(c) Except as otherwise disclosed in Exhibit "9.1(c)" attached hereto, the Contributors have not received notice of and, after due inquiry, have no knowledge of any existing, pending or threatened litigation or condemnation proceedings or other court, administrative or extra judicial proceedings with respect to or affecting a Project or any part thereof.

(d) Except as otherwise disclosed in Exhibit "9.1(d)" attached hereto, the Contributors have no knowledge of any assessments, charges, paybacks, or obligations requiring payment of any nature or description against a Project which remain unpaid, including, but not limited to, those for sewer, water or other utility lines or mains, sidewalks, streets or curbs. The Contributors, after due inquiry, have no knowledge of any public improvements having been ordered, threatened, announced or contemplated with respect to a Project which have not heretofore been completed, assessed and paid for.

(e) True and complete copies of all Project Contracts and the prospectus for each Project, if applicable, and all amendments thereto have been delivered to Sun pursuant to Section 6.1 above; all Project Contracts are in full force and effect and not in default; all Project Contracts are listed in Exhibit "9.1(e)" attached hereto; and except as described in Exhibit "9.1(e)", there are no Project Contracts in force with respect to a Project which are not subject to cancellation upon not more than thirty (30) days notice without premium or penalty.

(f) The Contributors are the lawful owners of the Projects and hold insurable and marketable title to the Projects, free and clear of all liens and encumbrances other than the Permitted Exceptions and Removable Liens. The Contributors have and will have on the Contribution Date the power and authority to sell the Projects to Sun and perform their obligations in accordance with the terms and conditions of this Agreement, and each person who executes this Agreement and all other instruments and documents in connection herewith, has or will have due power and authority to so act. On or before the Contribution Date, the Contributors will have complied with all applicable statutes, laws, ordinances and regulations of every kind or nature, in order to effectively convey and transfer all of the Contributors' right, title and interest in and to the Projects to Sun in the condition herein required.

(g) Since the date on which the Contributors commenced doing business at each of the Projects, they have been insured with respect to risks normally insured against, and in amounts adequate to safeguard each Project. Exhibit "9.1(g)" attached hereto lists all insurance currently maintained for or with respect to each Project, including types of coverage, policy numbers, insurers, premiums, deductibles and limits of coverage.

(h) Neither this Agreement nor anything provided to be done herein by the Contributors, including, without limitation, the conveyance of all of the Contributors' right, title and interest in and to the Projects as herein contemplated, violates or will violate the Contributors' governing documents or any contract, agreement or instrument to which the Contributors are a party or bound and which affects the Projects.

(i) The Contributors have not contracted for the furnishing of labor or materials to a Project which will not be paid for in full prior to the Contribution Date, and if any claim is made by any party for the payment of any amount due for the furnishing of labor and/or materials to a Project or the Contributors prior to the Contribution Date and a lien is filed against a Project as a result of furnishing such materials and/or labor, the Contributors will immediately pay the said claim and discharge the lien.

(j) All utility services, including water, sanitary sewer, gas, electric, telephone and cable television facilities, are available to each Project and each home site therein in sufficient quantities to adequately service the Projects at full occupancy; and to the Contributors' knowledge, after due inquiry, there are no existing, pending or threatened plans, proposals or conditions which could cause the curtailment of any such utility service.

(k) Each Project was constructed in conformity with all governmental rules, regulations, laws and ordinances applicable at the time such Project was constructed, all Permitted Exceptions, and all development orders and other requirements imposed by governmental authorities. Except as disclosed in Exhibit "9.1(k)" attached hereto, to the Contributors' knowledge, obtained after due inquiry: (i) there are no existing maintenance problems with respect to mechanical, electrical, plumbing, utility and other systems necessary for the operation of the Projects, including, without limitation, all underground utility lines, water wells and roads; (ii) all such systems are in good working condition and are suitable for the operation of the Projects; and (iii) there are no structural or physical defects in and to the Projects, and there are no conditions currently existing on, in, under or around property adjacent to or surrounding a Project, which materially adversely affects, or could materially adversely affect, such Project or the operation thereof.

(l) Attached hereto as Exhibit "9.1(l)" is a true and complete list of all persons employed by the Contributors or the manager(s) of the Projects in connection with the operation and maintenance of the Projects as of the date hereof, including name, job description, term of employment, average hours worked per week, current pay rate,

description of all benefits provided such employees and the annual cost thereof. Except as provided in any employment contract furnished to Sun, all such employees are terminable at will.

(m) Continental Estates consists of 386 developed manufactured home sites, approximately 60 acres of Land, and the improvements, amenities and recreational facilities listed in Exhibit "9.1(m)" attached hereto and made a part hereof. As of the date hereof, nine (9) manufactured home sites within Continental Estates are vacant, and for the calendar years 1994 and 1995, the average occupancy rates at Continental Estates were 99% and 98%, respectively. All unoccupied manufactured home sites within Continental Estates which exist at the date of Closing, if any, will be in leasable condition without it being necessary to make any further improvements to permit a tenant to take possession of, and install a manufactured home on, such home site in accordance with the Contributors' standard form lease and the rules and regulations applicable to Continental Estates.

(n) Continental North consists of 334 developed manufactured home sites, 80 undeveloped manufactured home sites, approximately 80 acres of Land, and the improvements, amenities and recreational facilities listed in Exhibit "9.1(n)" attached hereto and made a part hereof. As of the date hereof, twelve (12) manufactured home sites within Continental North are vacant, and for the calendar years 1994 and 1995, the average occupancy rates (with respect to developed manufactured home sites) at Continental North were 94% and 94%, respectively. All unoccupied developed manufactured home sites within Continental North which exist at the date of Closing, if any, will be in leasable condition without it being necessary to make any further improvements to permit a tenant to take possession of, and install a manufactured home on, such home site in accordance with the Contributors' standard form lease and the rules and regulations applicable to Continental North. The development and leasing of the 80 undeveloped manufactured home sites within Continental North will not violate any building, zoning, safety, fire, environmental, health or other codes, laws or regulations applicable therein.

(o) Davison East consists of 190 developed manufactured home sites, approximately 24 acres of Land, and the improvements, amenities and recreational facilities listed in Exhibit "9.1(o)" attached hereto and made a part hereof. As of the date hereof, zero manufactured home sites within Davison East are vacant, and for the calendar years 1994 and 1995, the average occupancy rates at Davison East were 98% and 98%, respectively. All unoccupied manufactured home sites within Davison East which exist at the date of Closing, if any, will be in leasable condition without it being necessary to make any further improvements to permit a tenant to take possession of, and install a manufactured home on, such home site in accordance with the Contributors' standard form lease and the rules and regulations applicable to Davison East.

(p) To the Contributors' knowledge, obtained after due inquiry, Exhibit "9.1(p)" attached hereto contains a complete and accurate list of, and copies of, all licenses, certificates, permits and authorizations from any governmental authority of any kind which is required to develop, operate, use and maintain each of the Projects as a manufactured home community; and all such licenses, certificates, permits and authorizations have been issued and are in full force and effect and on the Contribution Date shall, to the extent legally assignable or transferable, be transferred or assigned to Sun. The Contributors shall take all steps and execute all applications and instruments reasonably necessary to achieve such transfer or assignment.

(q) Exhibits "D1", "D2" and "D3" attached hereto contain a true and complete list of all Personal Property used in the operation of each of the Projects; such Personal Property is in good working condition and adequate for the operation of each such Project at

full occupancy; and the Contributors will not sell, transfer, remove or dispose of any item of Personal Property from the Projects on or prior to the Contribution Date, unless such item is replaced with a similar item of no lesser quality or value.

(r) There has not been, and prior to the Contribution Date will not be, discharged, released, generated, treated, stored, disposed of or deposited in, on or under any Project, and to the best of the Contributors' knowledge, each Project is free of and does not contain, any "toxic or hazardous substance", asbestos, urea formaldehyde insulation, PCBs, radioactive material, flammable explosives, underground storage tanks, or any other hazardous or contaminated substance (collectively, the "Hazardous Materials") prohibited, limited or regulated under the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, or under any other applicable federal, state or local statutes, regulations or ordinances (collectively the "Environmental Laws"), and there are no substances or conditions in or on any Project which may support a claim or cause of action under any of the Environmental Laws. The Contributors have no knowledge of any suit, action or other legal proceeding arising out of or related to any Environmental Laws with respect to a Project which is pending or threatened before any court, agency or government authority, and the Contributors have not received any notice that a Project is in violation of the Environmental Laws.

(s) Attached hereto as Exhibit "9.1(s)" are profit and loss statements for each of the Projects for the 12-month periods ending December 31, 1993, December 31, 1994, and December 31, 1995 and the eight (8) month period ending August 31, 1996 (collectively, the "Financial Statements"). The Financial Statements are true, correct and complete in all respects, present fairly and accurately the financial position of each Project and the operation of each Project as at such dates and the results of their operations and earnings for the periods indicated thereon, and have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods indicated.

(t) S&K is duly organized and validly existing as a co-partnership under the laws of the State of Michigan, and S&K has full power and authority to own, lease and operate its properties and assets, including, without limitation, the Projects, and to carry on its business as presently conducted. Attached hereto as Exhibit "9.1(t)" and made a part hereof by this reference are true and complete copies of the Partnership Agreement and Certificate of Co-Partnership of S&K and any additional documents, instruments or certificates relating to the existence of S&K and all amendments to any of the foregoing (collectively, the "S&K Documents"). As of the date hereof, the S&K Documents are in full force and effect and only are amended or modified as reflected therein, and from the date hereof to the Closing Date, the S&K Documents will not be modified or amended without the consent of Sun.

(u) The Contributors own the right to use the names "Continental Estates Manufactured Home Community", "Continental North Manufactured Home Community", and "Davison East Manufactured Home Community" in connection with the operation of the Projects. The Contributors have not received notice of or are aware that the Contributors' use of any such name infringes on or violates the rights of any third party.

(v) Each of the Contributors and each of the partners of S&K are Michigan residents and "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

(w) The Contributors have delivered or will deliver to Sun true, correct and

complete copies of the information and material referenced in Section 6.1 hereof. Nothing contained in this Agreement, the Exhibits attached hereto or the information and material delivered or to be delivered to Sun pursuant to the terms hereof, includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. The Contributors have not received any written notice of any fact which would materially adversely affect any of the Projects or the operation thereof which is not set forth in this Agreement, the Exhibits hereto, or has not otherwise been disclosed to Sun in writing.

9.2 The provisions of Section 9.1 and all representations and warranties contained therein shall be true as of the Contribution Date and shall survive the closing of the transaction contemplated herein and the conveyance of the Projects to Sun. The investigation by Sun and its employees, agents and representatives, of the financial, physical and other aspects of the Projects shall not negate or diminish the representations and warranties of the Contributors contained herein.

10. CONDITIONS.

10.1 Sun's obligation to consummate the acquisition of the Projects is expressly conditioned upon the following, each of which constitutes a condition precedent to Sun's obligations hereunder which, if not performed or determined to be acceptable to Sun on or before the Contribution Date (unless a different time for performance is expressly provided herein), shall permit Sun, at its sole option, to declare this Agreement null and void and of no further force and effect by written notice to the Contributors, whereupon neither the Contributors nor Sun shall have any further obligations hereunder to the other except for the Contributors' obligation to pay legal fees for the drafting of this Agreement as described in Section 20.1 and reimburse Sun for certain expenses as set forth herein (provided that Sun shall have the right to waive any one or all of said conditions).

(a) On the Contribution Date, title to the Projects shall be in the condition required herein, and the Title Company shall be in a position to issue the requisite policy of title insurance pursuant to the Commitment.

(b) The Contributors shall have complied with and performed all covenants, agreements and conditions on their part to be performed under this Agreement within the time herein provided for such performance.

(c) The Contributors' representations, warranties and agreements contained herein are and shall be true and correct as of the date hereof and as of the Contribution Date in all material respects.

(d) From and after the date hereof to the Contribution Date there shall have been no material adverse change in or to any of the Projects or the business conducted thereon.

(e) Sun shall have obtained, at its sole cost and expense, prior to the expiration of the Investigation Period, a "Phase 1" environmental audit (the "Environmental Audit") of each of the Projects, including the Land and Improvements included within each such Project, addressed to Sun and its designated lenders, conducted by an independent environmental investigation and testing firm approved by Sun in its sole discretion, reflecting that each Project is free of and does not contain any Hazardous Materials, and otherwise in form and content acceptable to Sun, in its sole discretion. If any Environmental Audit discloses any condition which requires further review or investigation, Sun may obtain, at its sole expense, a "Phase 2" environmental audit of such Project in form and content acceptable to Sun, in its sole discretion, and the Contribution Date shall be extended to provide Sun with sufficient time to receive, review and approve such Phase 2

environmental audit. If this Agreement terminates for any reason other than the default of Sun, the Contributors shall reimburse Sun for the cost of the Environmental Audits, including any Phase 2 environmental audits.

11. PERIOD FOR INVESTIGATION.

11.1 Commencing on the date hereof, Sun shall have a period of sixty (60) days (the "Investigation Period") to inspect and investigate all aspects of the Projects, including, without limitation, the physical condition of the Projects, all items of income and expense arising from the Contributors' ownership and operation of the Projects, and all documents relating thereto. In the event the Contributors have failed to deliver or make available to Sun the information and material required by Section 6.1 within five (5) days of the date hereof, the Investigation Period shall be extended for a period of time equal to the number of days from the required delivery date of each such item to the actual date of delivery of all such items. At any time prior to the expiration of the Investigation Period, as the same may have been extended pursuant to the provisions of this Section 11.1, and for any reason whatsoever, Sun may, at its option and in its sole and absolute discretion, terminate this Agreement.

11.2 If Sun notifies the Contributors in writing prior to the expiration of the Investigation Period, as the same may be extended, that it waives its right to terminate this Agreement as provided in Section 11.1 above (the "Investigation Notice"), its right under Section 11.1 to terminate this Agreement shall expire. If Sun does not send the Investigation Notice to the Contributors prior to the expiration of the Investigation Period, as the same may be extended, Sun, without further action, shall be deemed to have elected to terminate this Agreement, and Sun and the Contributors shall have no further obligation to the other hereunder other than the Contributors' obligation to pay legal fees for the drafting of this Agreement as described in Section 20.1 and reimburse Sun for certain expenses as set forth herein.

12. OPERATION OF PROJECT.

12.1 From and after the date hereof to the Contribution Date, the Contributors shall: (a) continue to maintain, operate and conduct business at the Projects in substantially the same manner as prior to the date hereof; (b) perform all regular and emergency maintenance and repairs with respect to the Projects; (c) keep the Projects insured against all usual risks and maintain in effect all insurance policies now maintained on the same; (d) not sell, assign or convey any right, title or interest in any part of the Projects; and (e) not change the operation or status of the Projects in any manner reasonably expected to impair or diminish their value; provided, however: (i) no Tenant Lease shall be executed or extended for a term in excess of one year; (ii) no Tenant Lease shall be executed or extended at a rental rate that is less than the present rental for such space within such Project; and (iii) the Contributors shall at or prior to the Contribution Date furnish Sun with a copy of each new or renewal lease.

12.2 Sun shall have the right, but not the obligation, to hire those employees of the Contributors and the Projects' management agent(s) who worked at or provided services to the Projects, effective as of the Contribution Date. Upon the consummation of the transactions contemplated herein, such employees will remain employees of the Contributors or the manager unless expressly retained by Sun, and all compensation and fees due such employees, including any amount payable or that becomes payable as a result of the termination of the employees, and all costs and taxes attributable to such employment, shall be paid by the Contributors or the manager, as the case may be. Effective as of the Contribution Date, the Contributors shall terminate the existing manager(s) of the Projects and any Project Contracts not assigned to Sun.

13. DESTRUCTION OF PROJECT.

13.1 In the event any part of any Project shall be damaged or destroyed prior to the Contribution Date, the Contributors shall notify Sun thereof, which notice shall include a description of the damage and all pertinent insurance information. If the use or occupancy of such Project is materially affected by such damage or destruction or the cost to repair such damage or destruction exceeds Fifty Thousand and 00/100 Dollars ($50,000.00), Sun shall have the right to terminate this Agreement by notifying the Contributors within thirty (30) days following the date Sun receives notice of such occurrence, whereupon the Contributors and Sun shall not have any further obligation to the other hereunder other than the Contributors' obligation to pay legal fees for the drafting of this Agreement as described in Section 20.1 and reimburse Sun for certain expenses as set forth herein. If Sun does not elect to terminate this Agreement, or shall fail to notify the Contributors within the said thirty (30) day period, on the Contribution Date the Contributors shall assign to Sun all of the Contributors' right, title and interest in and to the proceeds of the fire and extended coverage insurance presently carried by or payable to the Contributors.

14. CONDEMNATION.

14.1 If, prior to the Contribution Date, either the Contributors or Sun receives or obtains notice that any governmental authority having jurisdiction intends to commence or has commenced proceedings for the taking of any portion of any Project by the exercise of any power of condemnation or eminent domain, or notice of any such taking is recorded among the public records of the State of Michigan or Genesee County, Sun shall have the option to terminate this Agreement by notifying the Contributors within thirty (30) days following Sun's receipt of such notice, in which event the Contributors and Sun shall not have any other or further liability or responsibility hereunder to the other, except the Contributors' obligation to pay legal fees for the drafting of this Agreement as described in Section 20.1 and reimburse Sun for certain expenses as set forth herein. If Sun does not elect to terminate this Agreement or shall fail to notify the Contributors within the thirty (30) day period, Sun shall close the transaction as if no such notice had been received, obtained or recorded or proceedings commenced, and in such event, any proceeds or awards made in connection with such taking shall be the sole property of Sun.

15. DEFAULT BY THE CONTRIBUTORS OR SUN.

15.1 In the event the Contributors shall fail to perform any of their obligations hereunder, Sun may, at Sun's option and in addition to all other rights available at law or in equity: (i) terminate this Agreement by written notice delivered to the Contributors at or prior to the Contribution Date; (ii) obtain specific performance of the terms and conditions hereof; or (iii) waive the Contributors' default and proceed to consummate the transactions with the Contributors, and for purposes of determining the number of Common OP Units to be issued to the Contributors pursuant to Section 2.1, reduce the Agreed Value by an amount equal to the costs incurred by Sun to cure any default of the Contributors hereunder, up to a maximum reduction of $50,000.00.

15.2 In the event Sun does not elect to terminate this Agreement as permitted herein and the conditions precedent to Sun's obligation to purchase the Projects have been satisfied or waived by Sun, and thereafter Sun fails to purchase the Projects on the Contribution Date in accordance with the terms of this Agreement, the Contributors shall be entitled to terminate this Agreement and recover from Sun, as liquidated damages, the sum of FIFTY THOUSAND and 00/100 ($50,000.00) Dollars plus all third party out-of-pocket costs incurred by Contributors with respect to the transaction contemplated herein (the "Recovery"), the same being the Contributors' sole remedy, and Sun shall have no further or other liability hereunder. The Contributors and Sun agree that in the event of a default by Sun under this Agreement, the Contributors' damages would be difficult or impossible to ascertain, and the amount of the Recovery represents a reasonable estimate of such damages. Neither Sun, nor any designee, transferee or assignee of Sun, nor any officers, directors, shareholders or partners, general or limited, of such designee, transferee or assignee, shall be personally or individually liable with respect to any obligation under this Agreement, all such

personal and individual liability, if any, being hereby waived by the Contributors on their behalf and on behalf of all persons claiming by, through or under the Contributors.

16. LIABILITY AND INDEMNIFICATION.

16.1 Sun does not and shall not assume any liability for any claims arising out of the occurrence of any event or the existence of any condition prior to the Contribution Date with respect to the Projects.

16.2 From and after the Contribution Date, the Contributors, jointly and severally, agree to indemnify, defend and hold harmless Sun, and Sun's successors and assigns, from and against any and all claims, penalties, damages, liabilities, actions, causes of action, costs and expenses (including attorneys' fees), arising out of, as a result of or as a consequence of: (i) any property damage or injuries to persons, including death, caused by the occurrence of any event or the existence of any condition at a Project prior to the Contribution Date or in connection with the Contributors' use, possession, operation, repair and maintenance of the Projects prior to the Contribution Date; (ii) any breach by the Contributors of any of their representations, warranties, or obligations set forth herein or in any other document or instrument delivered by the Contributors in connection with the consummation of the transactions contemplated herein; or (iii) clean up costs and future response costs incurred by Sun under the Environmental Laws arising with respect to or in connection with a condition which existed or any event which occurred prior to the Contribution Date.

17. COVENANT NOT TO COMPETE; EASEMENTS.

17.1 At Closing, the Contributors shall enter into the Restrictive Covenant Agreement and Option and Right of First Refusal Agreement attached hereto as Exhibits "17.1(a)" and "17.1(b)" respectively, with respect to the frontage at Continental North along M-15 (State Road), consisting of approximately ten (10) acres, as more fully described in Exhibit "17.1(c)" attached hereto and made a part hereof (the "Frontage Land"). The Contributors will also grant Sun such access and utility easements across the Frontage Land for the benefit of Continental North as may be necessary to continue operating Continental North in the ordinary course of business by executing and delivering an instrument granting such easements in form for recording by the Genesee County Register of Deeds (the "Easement Agreement").

18. EXISTING HOMES.

18.1 Sun and the Contributors acknowledge and agree that (i) the Contributors own approximately ninety-nine (99) manufactured homes located at the Projects which are leased or available for lease to residents (the "Leased Homes"), (ii) the Contributors will be responsible for payment of the site rent for all home sites on which such Leases Homes are installed until such Leased Homes are sold to third parties who enter into new leases for home sites within the Project, (iii) such Leased Homes will not be removed from the Project by Contributors or any successor owner, and (iv) during the Investigation Period, Sun and the Contributors shall establish, and after the Contribution Date, Sun and the Contributors will cooperate in the implementation of, a plan to phase out such Leased Homes owned by the Contributors so that all mobile homes at the Projects become owner/occupied homes. If requested, Contributors will enter into new leases for the home sites on which the Leased Homes are located using Sun's standard form of lease.

19. CLOSING.

19.1 Subject to the provisions of Section 5.1, the closing ("Closing") of the transaction contemplated herein shall take place within thirty (30) days after the expiration of the Investigation Period (the "Contribution Date"). The Contribution Date shall be designated by Sun on not less

than five (5) days prior written notice to the Contributors. The Closing shall be held at the offices of Sun's attorneys, Jaffe, Raitt, Heuer & Weiss, Professional Corporation, One Woodward Avenue, Suite 2400, Detroit, Michigan 48226, or on or at such other time or place as Sun and the Contributors shall agree upon.

19.2 At Closing:

(a) The Contributors shall execute and deliver Warranty Deeds in recordable form conveying to Sun marketable and insurable title to the Land and Improvements, subject only to the Permitted Exceptions.

(b) The Contributors shall execute and deliver Warranty Bills of Sale conveying the Personal Property to Sun, free and clear of any liens or encumbrances other than the Permitted Exceptions, and the Contributors shall execute and deliver to Sun, in proper form for transfer, the Certificates of Title pertaining to all vehicles and manufactured homes, if any, being conveyed to Sun hereunder.

(c) The Contributors shall execute and deliver to Sun, in form and content satisfactory to Sun and pursuant to Sections 7.1, 7.2 and 7.3 hereof, Assignments transferring to Sun all of the Contributors' right, title and interest in and to: (i) the Tenant Leases and all deposits relating thereto; (ii) the Project Contracts which Sun has elected to have assigned; and (iii) the Intangible Property.

(d) The Contributors shall deliver to Sun payoff letters from the Lender that are sufficient to cause the Title Company to remove the exceptions for the Mortgages from the Commitment upon payment of the amount set forth in such payoff letters.

(e) The Contributors shall cause the Commitment referred to in paragraph 4.1 hereof to be recertified and updated to the Contribution Date, and shall cause the policy of title insurance to be issued to Sun pursuant to such updated Commitment together with such endorsements thereto as Sun shall request, at Sun's sole cost.

(f) The Contributors and Sun shall execute and deliver to the Title Company for recording the Restrictive Covenant Agreement and Option and Right of First Refusal Agreement attached hereto as Exhibits "17.1(a)" and "17.1(b)", respectively.

(g) The Contributors and Sun shall execute and deliver the Easement Agreement to the Title Company for recording.

(h) The REIT and the Contributors shall execute and deliver amendments to the Sun Partnership Agreement and Sun's Restated Certificate of Limited Partnership admitting the Contributors as limited partners of Sun and issuing the Common OP Units to the Contributors, upon the terms and subject to the conditions contained herein.

(i) The Contributors and the REIT shall enter into the Registration Rights Agreement in the form of Exhibit "2.5(b)" attached hereto, and each Contributor, and the partners of the Contributors which are partnerships, shall execute and deliver such investment and subscription documents as Sun shall reasonably require in connection with the issuance of the Common OP Units and reaffirm the representations and warranties contained in Section 9.1(v) hereof.

(j) The Contributors shall deliver to Sun a certificate confirming the truth and accuracy of the Contributors' representations and warranties hereunder, and the Rent Rolls, updated to the Contribution Date, and each prospectus for any Project then in effect, shall be

certified as true and correct in all respects.

(k) The Contributors and Sun shall execute and cause to be delivered to tenants under the Tenant Leases and all other interested parties written notice of the transfer of the Projects to Sun together with such other information or instructions as Sun shall deem appropriate.

(l) The Contributors shall deliver to Sun originals of: (i) the Tenant Leases, including all amendments thereto and modifications thereof; (ii) all Project Contracts assigned to Sun; (iii) all architectural plans and specifications and other documents in the Contributors' possession pertaining to the development of the Projects; and (iv) all collection, expense and business records and such other documentation reasonably necessary for Sun to continue the operation of the Projects.

(m) Each Contributor which is a partnership shall deliver to Sun certified copies of resolutions of the partners of such partnership authorizing and approving the transaction contemplated by this Agreement, and authorizing and directing the execution and delivery of this Agreement and all documents and instruments to be executed and delivered by such Contributor pursuant to the terms hereof, certified by an authorized partner of such Partner as being true and correct, together with an incumbency certificate from the partner, certifying as to the partners of such Contributor who have executed documents in connection with the transactions contemplated herein.

(n) The Contributors shall deliver to Sun an affidavit, in form acceptable to Sun, executed by the Contributors, certifying that the Contributors and all persons or entities holding an interest in the Contributors are not non-resident aliens or foreign entities, as the case may be, such that the Contributors and such interest holders are not subject to tax under the Foreign Investment and Real Property Tax Act of 1980.

(o) Sun shall deliver to the Contributors certificates or such other instruments reasonably necessary to evidence that the execution and delivery of this Agreement and all documents to be executed and delivered by Sun hereunder, have been authorized by Sun and that all persons or entities who have executed documents on behalf of Sun in connection with the transaction have due authority to act on behalf of Sun.

(p) The Contributors shall execute and deliver to Sun a discontinuation of any assumed name certificate whereby the Contributors have reserved the right to conduct business under the names "Continental Estates Manufactured Home Community", "Continental North Manufactured Home Community", "Davison East Manufactured Home Community", and all variations thereof.

(q) The Contributors and Sun shall each deliver to the other such other documents or instruments as shall reasonably be required by such party, its counsel or the Title Company to consummate the transaction contemplated herein and/or to cause the issuance of the policy of title insurance which, in all events, shall not increase such party's liability hereunder or decrease such party's rights hereunder.

20. COSTS.

20.1 Sun and the Contributors shall each be responsible for their own counsel fees and travel expenses; provided, however that the Contributors, as a whole, shall pay the lesser of (i) one half of the legal fees incurred by Sun's attorneys, Jaffe, Raitt, Heuer & Weiss, Professional Corporation, in preparing the initial draft of this Agreement and all Exhibits hereto or (ii) Two Thousand and 00/100 Dollars ($2,000.00). Except as otherwise set forth in this Section 20.1, and

subject to reimbursement upon the termination of this Agreement as elsewhere provided herein, Sun shall pay all documentary, intangible and transfer taxes due on the conveyance of the Projects to Sun, sales, transfer and other taxes due on the transfer of any vehicles and manufactured homes to Sun, title insurance premiums for Sun's policy of title insurance, the cost of the Surveys, Environmental Audits and any necessary financial audits, its due diligence costs, and all recording fees for the deeds. Escrow fees, if any, shall be borne equally by the Contributors and Sun.

21. BROKERS.

21.1 Sun and the Contributors represent and warrant to the other that they have not had any direct or indirect dealings with any real estate brokers, salesmen or agents in connection with the Projects, or the transactions contemplated herein, except James Devine (the "Broker"), whose commission, if any, shall be paid by Sun. In consideration of said warranty, Sun agrees with the Contributors that it will pay, and will defend and hold the Contributors harmless from and against any and all finder's and/or broker's commissions due or claimed to be due on account of the transactions contemplated herein and arising out of contracts made by Sun, including, without limitation, contracts with or claims of the Broker, and the Contributors agree with Sun that they will pay, and will defend and hold Sun harmless from and against any and all finder's and/or broker's commissions due or claimed to be due on account of the transactions contemplated herein and arising out of contracts made by the Contributors.

22. PAYMENTS TO CONTRIBUTORS.

22.1 With respect to the payments of cash and issuance of Common OP Units required to be made by Sun to the Contributors pursuant to this Agreement, 50% of such amounts shall be delivered to S&K and 50% of such amounts shall be delivered to Smith.

23. ASSIGNMENT.

23.1 Sun hereby reserves the right, on or before the Contribution Date, to assign all of its right, title and interest in and to this Agreement or to transfer its interest in the Projects to any other person or entity, and upon notice of such assignment to the Contributors, all terms and conditions hereof shall apply equally to such assignee as if the assignee was the original party hereto.

24. CONTROLLING LAW.

24.1 This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan.

25. ENTIRE AGREEMENT.

25.1 This Agreement and the Exhibits attached hereto constitute the entire agreement between the parties hereto with respect to the transactions herein contemplated, and supersedes all prior agreements, written or oral, between the parties relating to the subject matter hereof. Any modification or amendment to this Agreement shall be effective only if in writing and executed by each of the parties hereto.

26. NOTICES.

26.1 Any notice from the Contributors to Sun or from Sun to the Contributors shall be deemed duly served upon receipt or refusal if (i) personally served, (ii) deposited in the U.S. certified mail, return receipt requested, (iii) sent by telephone facsimile with fax acceptance sheet verifying receipt, or (iv) sent via "overnight" courier service, addressed to such party as follows:

If to the Contributors:	Ms. Susan Smith 13015 Sandehurst Ct. Grand Blanc, Michigan 48439 Fax No. (810) 695-4020
With a copy to:	John Wolf, Esq. Joseph, Wolf, Endean & Stahle 3876 Fortune Blvd. Saginaw, MI 48603 Fax No. (517) 799-8692
If to Sun:	Sun Communities, Inc. 31700 Middlebelt, Suite 145 Farmington Hills, Michigan 48334 Attn: Mr. Gary A. Shiffman Fax No. (810) 932-3072
With a copy to:	Richard A. Zussman Jaffe, Raitt, Heuer & Weiss Professional Corporation One Woodward Avenue, Suite 2400 Detroit, Michigan 48226 Fax No. (313) 961-8358

Either party hereto may change the name and address of the designee to which notice shall be sent by giving written notice of such change to the other party hereto as hereinbefore provided.

27. BINDING.

27.1 The terms hereof shall be binding upon and shall inure to the benefit of the parties hereto, their successors, transferees and assigns.

28. PARAGRAPH HEADINGS.

28.1 The captions in this Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

29. SURVIVAL AND BENEFIT.

29.1 Except as otherwise expressly provided herein, each agreement, representation or warranty made in this Agreement by or on behalf of either party, or in any instruments delivered pursuant hereto or in connection herewith, shall survive the Contribution Date and the consummation of the transactions provided for herein.

29.2 The covenants, agreements and undertakings of each of the parties hereto are made solely for the benefit of, and may be relied on only by, the other party hereto, their transferees and assigns, and are not made for the benefit of, nor may they be relied upon, by any other person whatsoever.

29.3 This Agreement shall not be construed more strictly against one party then against the other, merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Sun and the Contributors have contributed substantially and materially to the preparation of this Agreement.

30. COUNTERPARTS.

30.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed one in the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

CONTRIBUTORS:

IN THE PRESENCE OF:

_____

_____

_____

S&K Smith Co., a Michigan co-partnership

/s/ Susan Kay Smith
By:_____
Susan Kay Smith, Partner

/s/ Keith D. Smith
By:_____
Keith D. Smith, Partner

By: /s/ Donald L. Smith
_____
Donald L. Smith,
individually, a single man

"SUN"

SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP, a Michigan limited partnership

By: Sun Communities, Inc.,
its General Partner

/s/ Jonathan M. Colman
By:_____
Jonathan M. Colman,
Vice President

_____

LIST OF EXHIBITS

EXHIBIT	DESCRIPTION
1.	Legal Description of Continental Estates Land
B	Legal Description of Continental North Land
C	Legal Description of Davison East Land
D1	Schedule of Personal Property - Continental Estates
D2	Schedule of Personal Property - Continental North
D3	Schedule of Personal Property - Davison East
2.5(a)	Sun Partnership Agreement
2.5(b)	Registration Rights Agreement
3.1(a)	Schedule of Mortgages
3.1(c)-1	Rent Roll - Continental Estates
3.1(c)-2	Rent Roll - Continental North
3.1(c)-2	Rent Roll - Davison East
4.2	Surveyor's Certification
9.1(b)	Violations
9.1(c)	Litigation and Condemnation Proceedings
9.1(d)	Assessments and Other Charges
9.1(e)	Project Contracts
9.1(g)	Summary of Insurance
9.1(k)	Maintenance Problems
9.1(l)	List of Employees
9.1(m)	List of Continental Estates Facilities
9.1(n)	List of Continental North Facilities
9.1(o)	List of Davison East Facilities
9.1(p)	Licenses, Authorizations and Permits
9.1(s)	Project Financial Statements
9.1(t)	S&K Documents
17.1(a)	Restrictive Covenant Agreement
17.1(b)	Option and Right of First Refusal Agreement
17.1(c)	Legal Description of Frontage Land

EXHIBIT 10.1

SECOND AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

OF

SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP

THE LIMITED PARTNERSHIP INTERESTS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, THE MICHIGAN UNIFORM SECURITIES ACT OR THE SECURITIES LAWS OF ANY OTHER STATE. SUCH INTERESTS MAY NOT BE SOLD OR TRANSFERRED WITHOUT REGISTRATION OR EXEMPTION THEREFROM. TRANSFER OF SUCH INTERESTS IS RESTRICTED BY THE PROVISIONS OF THIS AGREEMENT.

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SECOND AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

OF

SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP

THIS AGREEMENT is made at Farmington Hills, Michigan, as of April 30, 1996, among SUN COMMUNITIES, INC., a Maryland corporation, as General Partner, and the persons designated as Limited Partners in Exhibit A, as Limited Partners, who hereby agree as set forth herein. Certain terms used in this Agreement are defined in Section 14.

PRELIMINARY STATEMENT

The Partnership is a limited partnership presently existing under Michigan law and governed by a First Amended and Restated Limited Partnership Agreement dated December 15, 1993, as amended by Amendments numbered One through Twenty-Eight, inclusive. Said First Amended and Restated Limited Partnership Agreement, as heretofore amended, is referred to herein as the "Former Partnership Agreement." The Partners wish to amend and restate the Former Partnership Agreement to provide, inter alia, for the creation of a new class of OP Units, for the admission of additional Partners to the Partnership and for the issuance of OP units to such additional Partners.

The Former Partnership Agreement provides that a majority in interest of the Partners may amend the same. This Amendment has been executed and delivered by a majority in interest of the Partners. Accordingly, the Former Partnership Agreement is amended in its entirety and is restated to read as set forth herein.

AGREEMENT

1. CONTINUATION OF PARTNERSHIP

The Partnership presently existing under the provisions of the Michigan Revised Uniform Limited Partnership Act shall continue pursuant to the provisions of this Agreement. The name of the Partnership is SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP, and its office shall be located at 31700 Middlebelt Road, Suite 145, Farmington Hills, Michigan 48334, or such other place as the General Partner may determine from time to time.

2. PURPOSES

The Partnership is organized for the purpose of investing in real property by acquiring, owning and operating manufactured housing communities and related properties and assets; acquiring interests in other entities which own and operate such properties; conducting businesses related to, associated with or augmenting the Partnership's business of operating manufactured housing communities, and owing interests in other entities which conduct such businesses; holding its assets for investment, income and appreciation and selling or otherwise disposing of the same; and doing all things incidental thereto. In addition, the Partnership may engage in any and all activities which could be conducted by a REIT, within the meaning of Section 856 of the Internal Revenue Code.

3. OP UNITS; PARTNERS; CAPITAL

3.1 OP UNITS

The Partners' interests in the Partnership are expressed in terms of OP Units, and each Partner has been issued OP Units corresponding to the agreed value of its capital contribution. OP Units consist of Common OP Units and Preferred OP Units.

3.2 COMMON OP UNITS

The holders of the Common OP Units shall be entitled to receive distributions in accordance with Section 4.3, after payment of all accrued Preferred Dividends. No distribution shall be made in respect of Common OP Units while any accrued Preferred Dividends remain unpaid unless all such accrued Preferred Dividends are paid simultaneously with such distribution.

3.3 PREFERRED OP UNITS

(a) Dividends. The holders of the Preferred OP Units shall be entitled to receive, from funds which the General Partner determines to be available for distribution as provided in Section 4.3, dividends ("Preferred Dividends") at the rate of $1.89 per Preferred OP Unit annually. Preferred Dividends for each year shall accrue in equal installments, on each record date for the payment of quarterly distributions to holders of Common OP Units, and shall be paid when such quarterly distributions are paid to Common OP Units holders of record as of the accrual date; provided, however, that (i) if the payment date for distributions to Common OP Unit holders is more than twenty (20) days after the record date, the Preferred Dividends shall be paid on or before the twentieth (20th) day following the record date, (ii) if distributions to holders of Common OP Units are made less frequently than quarterly, then Preferred Dividends shall accrue on each March 31, June 30, September 30 and December 31 and shall be paid within ten (10) days thereafter to holders of record as of the accrual date, and (iii) if distributions to holders of Common OP Units are made more frequently than quarterly, the Preferred Dividends shall accrue at the same frequency that distributions are made to holders of Common OP Units,

and (iv) the Preferred Dividend installment payable on the first Preferred Dividend Accrual Date after issuance of a Preferred OP Unit shall be a prorated portion of the regular dividend based on the number of days elapsed from the date of issuance to the Preferred Dividend Accrual Date. Each date upon which Preferred Dividends accrue is referred to as a "Preferred Dividend Accrual Date." Each date upon which Preferred Dividends become payable is referred to as a "Preferred Dividend Payment Date."

(b) Conversion Rights. The holders of the Preferred OP Units shall be entitled to convert part or all of such OP Units into Common OP Units by delivering written notice of such conversion ("Conversion Notice") to the General Partner after April 30, 2002 and on or before 5:00 P.M. E.S.T. or E.D.T. (as appropriate), May 31, 2002 (the "Conversion Period"). The terms of the conversion shall be as follows:

(1) Preferred OP Units may be converted only in multiples of One Hundred (100) unless the holder elects to convert all its Preferred OP Units.

(2) The conversion shall be effective as of the close of business on the day the Conversion Notice is delivered (the "Conversion Date"). The holder of the converted OP Units shall be deemed to have surrendered the same to the Partnership, and the Partnership shall be deemed to have issued Common OP Units to such holder, at the close of business on the Conversion Date.

(3) If the Issue Price of each Common OP Unit issued upon the conversion is $31.50 or less, the holder shall be entitled to receive one (1) Common OP Unit for each Preferred OP Unit surrendered. If the Issue Price of each such Common OP Unit is more than that amount, the holder shall be entitled to receive, for each Preferred OP Unit surrendered, a fraction of a full Common OP Unit of which (i) the numerator is (A) $31.50 plus (B) twenty-five per cent (25%) of the amount (if any) by which the per-unit Issue Price of the Common OP Units exceeds $36.00, and (ii) the denominator is the per-unit Issue Price of the Common OP Units.

(4) On the next Preferred Dividend Accrual Date, the holder shall be entitled to a Preferred Dividend in an amount equal to a prorated portion of the regular Preferred Dividend based on the number of days elapsed from the prior Preferred Dividend Accrual Date to the Conversion Date.

(5) In the event that the holders of Common OP Units receive or surrender any Common OP Units or other securities of or interests in the Partnership pursuant to any Common OP Unit split, combination, dividend or exchange, or pursuant to any recapitalization, merger, consolidation, combination, exchange of shares or other similar capital change, then upon the conversion each holder of Preferred OP Units shall be entitled to receive, in lieu of or in addition to receiving Common OP Units, the number and class of securities which it would have held on the Conversion Date if it had

originally acquired a number of Common OP Units equal to the number of Preferred OP Units to be converted, instead of such Preferred OP Units.

(c) Consensual Redemption. The Partnership may redeem any part or all of the Preferred OP Units from time to time as determined by the General Partner, with the written consent of the holder of the Preferred OP Units to be redeemed, provided that no such consensual redemption of fewer than all of the Preferred OP Units shall be made while any accrued Preferred Dividends remain unpaid unless all such accrued dividends are paid simultaneously with such redemption.

(d) Mandatory Redemption. The Partnership shall redeem Preferred OP Units five (5) Business Days after written demand of the holder during the existence of any POPU Default provided that the POPU Default is not cured within such period. The Partnership shall redeem all Preferred OP Units with respect to which a Conversion Notice was not received during the Conversion Period, within forty-five (45) days after the expiration of the Conversion Period.

(e) Redemption Payment. Upon redemption of a Preferred OP Unit the holder shall be entitled to receive a redemption payment equal to the Issue Price of such Preferred OP Unit plus all unpaid Preferred Dividends thereon accrued and prorated to the time that the redemption payment is made as if such date were a Preferred Dividend Accrual Date.

(f) POPU Credit Enhancement. The Partnership shall use diligent efforts to secure its redemption obligation as set forth in Section 3.3(d) by a form of security in favor of the holders of the Preferred OP Units which satisfies the following requirements (the "POPU Credit Enhancement"):

(1) The POPU Credit Enhancement shall consist of a letter of credit, surety bond, insurance, or other form of security satisfactory to the holders of a majority of the Preferred OP Units.

(2) The provider of the POPU Credit Enhancement shall be a bank, insurance company or other financial institution (i) which has senior long-term unsecured debt outstanding with a credit rating, at the time when the POPU Credit Enhancement is provided, which is equal to or better than the higher of (A) the lowest credit rating for such debt of any of the following financial institutions which is rated by a nationally recognized rating agency: NBD Bank, Comerica Bank, First Michigan Bank, Old Kent Bank, First of America Bank, or Michigan National Bank, or (B) a Standard & Poors rating of A- or a comparable rating from another nationally recognized rating agency, or (ii) which is approved in writing by the holders of a majority of the Preferred OP Units.

(3) The POPU Credit Enhancement (i) shall be in an amount not less than $38,287,810.00, (ii) shall be maintained for a continuous period commencing when the same is obtained and ending not earlier than September 13, 2002 or the earlier

conversion or redemption of all the Preferred OP Units, (iii) may not be terminated, cancelled or not renewed except upon at least sixty (60) days prior written notice to the holders of the Preferred OP Units or an agent selected by the holders of a majority of the Preferred OP Units, and (iv) shall entitle the holder of a Preferred OP Unit, upon demand, to payment of an amount equal to any mandatory redemption payment which is not made when required by Section 3.3(d).

(4) The form of the POPU Credit Enhancement may be changed from time to time with the written consent of the General Partner and the holders of a majority of the Preferred OP Units, provided that the replacement form of POPU Credit Enhancement is consistent with the requirements of this Section 3.3(f).

The Partnership and the holders of the Preferred OP Units shall share the costs of obtaining the POPU Credit Enhancement in equal shares, provided that neither shall be required to pay more than $190,000.00 per year in that regard. If such costs exceed that amount, then (i) the Partnership may nevertheless obtain and maintain the POPU Credit Enhancement if it agrees to pay the excess cost, (ii) the Partnership shall obtain and maintain the POPU Credit Enhancement if the holders of a majority of the Preferred OP Units agree in writing that the excess costs shall be paid by the holders of the Preferred OP Units, which election shall be binding upon all the holders of Preferred OP Units, and (iii) except as provided in Section 3.3(g) the Partnership shall not be required to obtain or maintain the POPU Credit Enhancement if the excess cost is not so provided for.

The Partnership shall withhold the POPU Credit Enhancement costs payable by the holders of the Preferred OP Units from the Preferred Dividends otherwise payable hereunder and shall apply the same to the payment of the costs of the POPU Credit Enhancement. The Partnership shall use diligent efforts to obtain the POPU Credit Enhancement as soon as reasonably possible.

(g) Loss of Credit Rating. If during the time that the POPU Credit Enhancement is not in effect: (i) the Company's existing unsecured debt (or unsecured debt comparable thereto) is outstanding and the Company fails to maintain a credit rating for such debt of Standard & Poors Grade BBB- or better, or a comparable investment grade rating of one or more nationally recognized credit agencies, or (ii) such debt is not outstanding and the Company fails to demonstrate to the reasonable satisfaction of the holders of a majority of the Preferred OP Units that an issue of comparable unsecured debt would receive such a credit rating, then within sixty (60) days after the written request of the holders of a majority of the Preferred OP Units, the Partnership shall (A) restore such credit rating, (B) obtain the POPU Credit Enhancement in which event it shall be obligated to pay any excess cost referred to in Section 3.3(f), or (C) provide other collateral, satisfactory to the holders of a majority of the Preferred OP Units in the exercise of their reasonable business judgement, to secure the Partnership's redemption obligation as set forth in Section 3.3(d), and if the Partnership fails to do so, such event shall constitute a POPU Default.

(h) Method of Payment. All payments in respect of the Preferred OP Units shall be made in good United States funds by ordinary bank check mailed to the holder at its address as set forth in the Partnership's records. Payment shall be effective upon deposit of the check in the mail with postage prepaid, for all purposes of this Agreement, and the holders of the Preferred OP Units hereby assume the risk of non-delivery. If a check is lost in the mail or in any other manner, the holder shall be entitled to a replacement check upon execution and delivery of an indemnity agreement, in form satisfactory to the General Partner, whereby the holder indemnifies the Partnership against any claim for payment of the replaced check.

(i) Restrictions on Subordination. During any period that the POPU Credit Enhancement is not in effect, the Partnership shall not permit to be outstanding any OP Units or other equity securities which are not junior to the Preferred OP Units, without the written consent of the holders of a majority of the Preferred OP Units. During any period that the POPU Credit Enhancement is in effect, the Partnership shall not permit to be outstanding any OP Units or other equity securities which are senior to the Preferred OP Units or which have any preference over the Preferred OP Units as to dividends or redemption payments, without the written consent of the holders of a majority of the Preferred OP Units, although the Partnership may issue additional Preferred OP Units or other classes of OP Units which have rights equal to those of the Preferred OP Units. Notwithstanding the foregoing, the POPU Credit Enhancement shall secure only the payments to the members of the Aspen Group in respect of those Preferred OP Units issued upon execution of this Agreement or pursuant to Contribution Agreements between the Partnership and such persons, and any credit enhancement provided to holders of other OP Units shall be provided independent of the POPU Credit Enhancement.

(j) Default Provisions. The following default provisions shall apply in respect of the Preferred OP Units:

(1) If the Partnership fails to pay any Preferred Dividend installment upon the Preferred Dividend Payment Date, the holders shall be entitled to a late payment premium equal to two per cent (2%) of the defaulted payment. If the Partnership fails to pay any Preferred Dividend installment within ten (10) days after the Preferred Dividend Payment Date, Preferred Dividends shall accrue at the rate of $2.70 per Preferred OP Unit annually, retroactively from the Preferred Dividend Payment Date until such installment is paid.

(2) The occurrence of any of the following shall constitute a "POPU Default":

(i) The Partnership's failure to pay any Preferred Dividend installment within twenty (20) days after the applicable Preferred Dividend Payment Date;

(ii) The Partnership's failure to pay any redemption payment when due;

(iii) If the POPU Credit Enhancement is in effect, the termination, cancellation or non-renewal of the POPU Credit Enhancement, or notice of termination, cancellation or non-renewal of the POPU Credit Enhancement, prior to the conversion or redemption of all Preferred OP Units, unless the Partnership complies with the provisions of Section 3.3(g);

(iv) If the POPU Credit Enhancement is in effect, the insolvency or loss of creditworthiness of the provider of the POPU Credit Enhancement unless the Partnership complies with the provisions of Section 3.3(g);

(v) If the POPU Credit Enhancement is not in effect, the Partnership's failure to provide the POPU Credit Enhancement or other collateral as provided in Section 3.3(g) upon the occurrence of the event specified therein; or

(vi) Any other default in the performance of the Partnership's or the General Partner's obligations to the holders of the Preferred OP Units under this Section 3.3 which is not cured within thirty (30) days after written demand by any holder of Preferred OP Units.

Upon the occurrence of a POPU Default the holders of the Preferred OP Units shall have the rights provided for in Sections 3.3(d) and 3.3(f)(3) in addition to any other rights provided by this Agreement or by applicable law. During the existence of the POPU Default, Preferred Dividends shall accrue at the rate of $2.70 per Preferred OP Unit annually. If any holder of Preferred OP Units commences any legal action against the Partnership or the General Partner to enforce its rights under this Section 3.3, the prevailing party shall be entitled to recover the costs incurred in connection therewith, including reasonable attorney fees.

3.4 PARTNERS

The names and addresses of the Partners, and their respective OP Units, are set forth in Exhibit A. Additional OP Units may be issued from time to time as permitted by this Agreement.

3.5 CAPITAL CONTRIBUTIONS

(a) The General Partner has contributed to the capital of the Partnership an amount of cash equal to the number of OP Units issued to the General Partner multiplied by the Issue Price of such OP Units, and shall contribute certain other items of personal property.

(b) The Limited Partners have made or shall make the capital contributions to the Partnership provided for in the respective Contribution Agreements to which they are parties.

(c) The Partners shall not be required to make any additional capital contributions to the Partnership, except that the General Partner shall apply the proceeds realized from the sale of stock or securities issued by it (net of offering expenses) to the purchase of additional OP Units in accordance with this Agreement.

3.6 ISSUANCE OF OP UNITS

(a) The General Partner may cause the Partnership to issue additional OP Units for value from time to time (i) to existing Partners (including itself), (ii) to new Partners, or (iii) to itself in connection with the issuance of additional stock or securities by it, at the Issue Price set forth in Section (b) below. The Issue Price shall be paid to the Partnership in cash, or in such other form as may be acceptable to the General Partner; provided, however, that if the General Partner issues shares of stock to its employees pursuant to any stock option, restricted stock or other employee benefit plan, the Issue Price of the OP Units purchased as a consequence thereof shall be paid in cash or property only to the extent of the cash or property received by the General Partner in exchange for such stock, and the Partnership shall be deemed to have received other value equal to the remainder of the Issue Price.

(b) Upon execution of this Agreement, the General Partner's interest in the Partnership comprises substantially all of its assets, and the number of OP Units held by the General Partner equals the number of shares of its outstanding common stock. It is expected that this circumstance will continue to exist, since the General Partner intends to distribute substantially all of its income on a current basis, has agreed to apply the net proceeds of the sale of additional stock or securities to the purchase of additional OP Units, and has no plans to issue any securities other than its existing single class of common stock. The Issue Price shall be determined as follows:

(1) If the Issue Price of an OP Unit is specified in a Contribution Agreement, the Issue Price shall be as so specified.

(2) If the Issue Price of an OP Unit is not specified in a Contribution Agreement, then the Issue Price shall be the market value of one share of the General Partner's common stock, which shall be:

(i) Subject to Section (ii) below, the market value shall be the average of the last reported sale price per share of the General Partner's common stock on the New York Stock Exchange, or if there is no reported sale the mean between the last reported bid and asked price, on each of the most recent ten (10) trading days preceding the date of issuance of the OP Units, as reported in the Wall Street Journal (Midwest Edition) or another reputable publication or reporting service selected by the General Partner; or

(ii) If the General Partner issues additional shares of its common stock and applies all the proceeds thereof (net of offering expenses) to the

purchase of additional OP Units, the per-share market value of the General Partner's Common Stock shall be the per-share net proceeds realized by the General Partner upon such issuance.

(c) The Partnership is obligated to issue additional OP Units to Water Oak, Ltd., as described in Exhibit B.

3.7 EXCHANGE OF COMMON OP UNITS

(a) The General Partner hereby grants to each Limited Partner the right to exchange any or all of the Common OP Units held by such Limited Partner for shares of the General Partner's common stock. Each Common OP Unit shall be exchangeable for one (1) share of the General Partner's common stock. Such right may be exercised by a Limited Partner at any time and from time to time upon not less than ten (10) days prior written notice to the General Partner. The General Partner shall at all times reserve and keep available a sufficient number of authorized but unissued shares of common stock to permit the exchange of all the Limited Partners' Common OP Units pursuant to this Section 3.7.

(b) Notwithstanding Section 3.7(a), upon tender of any Common OP Units pursuant to that Section:

(1) The General Partner may issue cash in lieu of fractional shares.

(2) The General Partner may issue cash in lieu of stock to the extent necessary to prevent the recipient from violating the Ownership Limitations of Section 2 of Article VII of the General Partner's Articles of Amendment and Restatement, or corresponding provisions of any amended or restated Articles.

(c) No Limited Partner shall be deemed to be a shareholder of or have any other interest in the General Partner, by virtue of being the holder of one or more OP Units.

(d) Notwithstanding Section 3.7(a), a Limited Partner shall not have the right to exchange OP Units for the General Partner's common stock if (i) in the opinion of counsel for the General Partner, the General Partner would no longer qualify or its status would be seriously compromised as a real estate investment trust under the Internal Revenue Code as a result of such exchange; or (ii) such exchange would, in the opinion of counsel for the General Partner, constitute or be likely to constitute a violation of applicable securities laws. In the event of either such occurrence, the General Partner shall purchase such Limited Partner's OP Units for cash in an amount equal to the Issue Price of a Common OP Unit on the date on which the exchange would otherwise occur.

3.8 ADJUSTMENT OF OP UNITS

Notwithstanding the foregoing provisions of this Section 3:

(a) Subject to Section 3.8(b), if the number of outstanding shares of the General Partner's common stock is changed by reason of any stock dividend, split or combination, or any recapitalization, merger, consolidation, combination, exchange of shares or other similar capital change, the number of OP Units held by all the Partners shall be proportionately adjusted so that the number of OP Units held by the General Partner equals the number of shares of its outstanding common stock, and the number of OP Units held by the Limited Partners shall bear the same relation to the number of shares held by the General Partner after such capital change as the number of OP Units held by the Limited Partners bore to the number of shares held by the General Partner before such capital change.

(b) If any stock or securities of the General Partner should be outstanding at any time, other than the existing class of common stock, then the provisions of Sections 3.6, 3.7 and 3.8(a) shall be applied with reference to all the General Partner's stock and securities in such equitable manner as the General Partner may determine, in order to reflect the fact that the value of the OP Units held by the General Partner is equal to the aggregate value of the General Partner's outstanding stock and securities.

3.9 WITHDRAWALS

No Partner shall be entitled to withdraw any portion of its capital account, except by way of distributions pursuant to Section 4.3, until termination of the Partnership.

3.10 BORROWINGS

The Partnership may borrow sums for any purpose which the General Partner deems beneficial to the Partnership or the Partners from any source, including a Partner, upon such terms as the General Partner deems appropriate.

4. CAPITAL ACCOUNTS; PROFITS AND LOSSES; DISTRIBUTIONS

4.1 CAPITAL ACCOUNTS

A capital account shall be maintained for each Partner, to which contributions and profits shall be credited and against which distributions and losses shall be charged. Capital accounts shall be maintained in accordance with the accounting principles prescribed by the Allocation Regulations, so that the tax allocations provided in this Agreement shall, to the extent possible, have "substantial economic effect" within the meaning of the Allocation Regulations, or, if such allocations cannot have substantial economic effect, so that they may be deemed to be "in accordance with the Partners' interests in the Partnership" within the meaning of the Allocation Regulations.

4.2 PROFITS AND LOSSES

(a) The profits and losses of the Partnership shall be determined as of the end of each fiscal year of the Partnership and shall be allocated among the Partners as follows:

(1) Subject to Section 4.2(a)(2), the profits and losses shall be allocated among Partners in proportion to their respective OP Units (Common and Preferred), provided, however, that the profits allocated to any Preferred OP Units for any calendar year shall not exceed the amount of the Preferred Dividends thereon for that calendar year, and any such excess profits remaining after the application of such limitation shall be allocated to the holders of the Common OP Units, pro rata.

(2) To the extent that an allocation of losses in accordance with Section 4.2(a)(1) would cause a Limited Partner to have an adjusted capital account deficit within the meaning of the Allocation Regulations, such portion of the losses shall be allocated to the General Partner instead of that Limited Partner, and the profits which would otherwise be allocated to that Limited Partner in the future shall instead be allocated to the General Partner to the extent of such portion of the losses.

(b) If there is a change in the interest of any Partner during the period covered by an allocation, due to the addition, withdrawal or substitution of a Partner, or otherwise, the profits and losses for the period shall be allocated among the varying interests, as determined by the General Partner in its discretion in a manner consistent with applicable provisions of the Internal Revenue Code and the regulations thereunder.

4.3 DISTRIBUTIONS

(a) The Partnership shall distribute to the Partners from time to time such cash as the General Partner determines to be available for distribution and not to be required to provide for the Partnership's cash needs, including reasonable reserves for contingencies and provision for redemption of Preferred OP Units. Distributions may be made from any source and regardless of whether the same constitutes a return of part or all of the Partners' capital contributions. The General Partner shall make such determination in the exercise of its reasonable business judgment. Subject to the provisions of Section 8.2, all distributions shall be made as follows:

(1) Distributions in respect of Preferred Dividends shall be made at the times and in the amounts provided in Section 3.3(a).

(2) All remaining distributions shall be made to the Partners in proportion to their respective Common OP Units on record dates established by the General Partner for each distribution; provided, however, that the distribution as of any record date in respect of a Common OP Unit issued after the prior record date shall be

a prorated portion of the full distribution, based on the proportion of the interval between record dates that the Common OP Unit was outstanding.

(b) The Limited Partners acknowledge that the General Partner is required to distribute to its shareholders a specified percentage of its share of the Partnership's taxable income for federal income tax purposes, in order to maintain its status as a Real Estate Investment Trust under the Internal Revenue Code. If the Partnership does not have sufficient funds on hand to fund a distribution to the Partners which will provide the General Partner with sufficient funds to make the required distribution to its shareholders in a timely manner, as estimated by the General Partner, the General Partner may cause the Partnership to take such action as it deems appropriate in order to raise the necessary funds, including (but not limited to) borrowing money and disposing of assets, which funds shall be distributed as provided in Section 4.3(a)(2).

5. RIGHTS AND OBLIGATIONS OF PARTNERS

5.1 LIMITED PARTNERS

The Limited Partners shall be limited partners within the meaning of the Partnership Act. The Limited Partners as such shall not be bound by the obligations of the Partnership and shall not be obligated to make contributions to the Partnership in excess of the amounts provided for in this Agreement. The Limited Partners shall not be entitled to participate in the management and control of the Partnership and shall have no authority to act for or bind the Partnership.

5.2 GENERAL PARTNER

(a) The General Partner shall be the sole general partner within the meaning of the Partnership Act. Subject to the other provisions of this Agreement, the General Partner shall have all the rights, powers, liabilities and restrictions of a partner in a partnership without limited partners.

(b) The General Partner shall not voluntarily withdraw from the Partnership or voluntarily dissolve or terminate its existence, prior to termination of the Partnership. The voluntary dissolution or termination of existence of the General Partner shall be deemed to be a withdrawal from the Partnership in violation of this Agreement. If the General Partner ceases to be a General Partner by reason of the occurrence of an event of withdrawal within the meaning of Section 402 of the Partnership Act, the General Partner shall not be entitled to receive the value of its interest in the Partnership, but it (or its successor in interest) shall receive those allocations and distributions to which it would have been entitled had the event of withdrawal not occurred, whether or not the Partnership is reconstituted and continued as provided in Section 7.2, subject, however, to the provisions of Section 602 of the Partnership Act.

5.3 ADDITIONAL PARTNERS

Additional Partners may be admitted to the Partnership from time to time if they acquire additional OP Units issued pursuant to Section 3.4. Assignees of Partnership interests may be admitted to the Partnership as substitute Partners pursuant to Section 9 of this Agreement.

6. ADMINISTRATIVE POWERS, OBLIGATIONS, COMPENSATION, ETC., OF GENERAL PARTNER

6.1 POWERS

(a) Subject to the other provisions of this Section 6, the General Partner shall manage and have complete control over the conduct of Partnership affairs, shall have full power to act for and to bind the Partnership to the extent provided by applicable law, and shall have the authority, on behalf of the Partnership, to do all things appropriate to the accomplishment of the purposes of the Partnership, including (but not limited to):

(1) filing the Certificate of Limited Partnership with the Michigan Department of Commerce and any amendments thereto which it may deem appropriate in order to reflect any action by the Partnership or the Partners which has been taken as permitted by this Agreement;

(2) managing, operating and leasing the manufactured housing properties owned by the Partnership and conducting any business activities associated therewith;

(3) acquiring, holding and selling or otherwise disposing of real and personal property;

(4) organizing and acquiring an interest in corporations, partnerships or other entities which own manufactured housing properties and related assets directly or through one or more other entities and exercising all rights and powers, and performing all obligations, incident thereto;

(5) obtaining financing and refinancing and borrowing money for Partnership purposes, guaranteeing the obligations of entities in which the Partnership has an interest, giving security for such borrowings and guaranties, and mortgaging or granting a security interest in any Partnership property;

(6) employing managers, leasing representatives, maintenance personnel, consultants, attorneys, accountants and other employees, independent contractors and agents;

(7) investing and reinvesting Partnership funds;

(8) executing contracts, leases, notes, mortgages, security agreements, loan documents, deeds and other writings, upon such terms as it deems appropriate;

(9) in general, managing the business and affairs of the Partnership; and

(10) doing such other acts as may facilitate the General Partner's exercise of its powers hereunder or as the General Partner may deem appropriate to the accomplishment of the purposes of the Partnership.

(b) Every contract, note, mortgage, lease, deed or other instrument executed by the General Partner appearing to be such from the Certificate of Limited Partnership, shall be conclusive evidence that at the time of execution, this Partnership was then in existence, that this Agreement had not theretofore been terminated or amended in any manner not disclosed in the Certificate of Limited Partnership and that the execution and delivery of such instrument was duly authorized by the Partners.

6.2 SELF-DEALING

Any Partner and any affiliate of a Partner may deal with the Partnership, directly or indirectly, as vendor, purchaser, employee, agent or otherwise; provided, however, that the terms of such arrangement are not less favorable to the Partnership than independent third party arrangements. No contract or other act of the Partnership shall be voidable or affected in any manner by the fact that a Partner or its affiliate is directly or indirectly interested in such contract or other act apart from its interest as a Partner, nor shall any Partner or its affiliate be accountable to the Partnership or the other Partners in respect of any profits directly or indirectly realized by him by reason of such contract or other act, and such interested Partner shall be eligible to vote or take any other action as a Partner in respect of such contract or other act as it would be entitled were it or its affiliate not interested therein.

6.3 SERVICES; COMPENSATION

The General Partner shall receive no compensation for acting as General Partner, but it or its affiliates may receive reasonable and competitive compensation for any specific services rendered to the Partnership and may be reimbursed for any Partnership expenses paid or advanced by them.

6.4 LIMITATION OF GENERAL PARTNER'S LIABILITY

(a) The General Partner and its directors and officers shall have no liability to the Partnership or to any Partner for any act or omission, except for its own fraud, intentional breach of fiduciary duty of this Agreement, or gross negligence.

(b) The Partnership (i) shall indemnify the General Partner and its directors and officers against any losses, judgments, liabilities, expenses and amounts paid in settlement of

claims, which are incurred or paid in connection with the Partnership or its business or affairs, unless the same results from the fraud, intentional breach of fiduciary duty of this Agreement, or gross negligence of the party claiming indemnification, and (ii) shall pay or reimburse the General Partner for any reimbursement obligation relating to the Partnership or its business or affairs, which is owed by the General Partner to its directors, officers or employees pursuant to its Articles of Incorporation or By-Laws or by contract. The provisions of this Section (b) are in addition to any other right of indemnification which any party may otherwise have.

(c) The General Partner shall not be personally liable to return any Limited Partner's capital contribution.

6.5 TAX MATTERS PARTNER

The General Partner shall serve as the Partnership's Tax Matters Partner for purposes of Chapter 63C of Subtitle F of the Internal Revenue Code and shall have the powers and duties provided for therein and in the regulations thereunder.

6.6 POWER OF ATTORNEY

Each Limited Partner irrevocably appoints the General Partner and any corporate officer of the General Partner as such Limited Partner's attorney-in-fact, with full power of substitution, on its behalf and in its stead to execute, swear to and file the Certificate of Limited Partnership, any amendment or cancellation thereof and any other instrument which may be appropriate to effect any action by or on behalf of the Partnership or the Partners which has been taken as provided in this Agreement, including, but not limited to, amending Exhibit A hereto to reflect any changes in the number of OP Units held by such Limited Partner. This power of attorney is coupled with an interest and shall be irrevocable. This power of attorney is coupled with an interest and shall be irrevocable.

6.7 OTHER ACTIVITIES OF GENERAL PARTNER

The General Partner shall devote its full time and attention to the affairs of the Partnership and entities in which the Partnership has an interest, and shall not engage in any active business activity other than the business of the Partnership. This provision shall not preclude the General Partner from investing its funds in passive investments. The restrictions of this Section 6.7 shall not apply to any Limited Partner or any director, officer, employee or shareholder of the General Partner, or any of their affiliates, who (subject to any other restrictions which may be applicable to them) shall be free to engage in any business activity, whether or not competitive with the business of the Partnership.

7. TERM OF PARTNERSHIP

7.1 COMMENCEMENT

The term of the Partnership shall commence upon the filing of the Certificate of Limited Partnership with the Michigan Department of Commerce.

7.2 TERMINATION

The term of the Partnership shall end, and the Partnership shall be terminated, solely on the first to occur of the following:

(a) December 31, 2043;

(b) 120 days after the sale or other disposition of substantially all of the Partnership's operating assets and the distribution by the Partnership of the net proceeds thereof and all remaining Partnership property; or

(c) An event of withdrawal of the General Partner unless within 90 days thereafter all the Partners elect to reconstitute and continue the Partnership with a successor General Partner.

None of the following shall cause a termination of the Partnership: the retirement, dissolution or insolvency of a Limited Partner, the substitution of a General or Limited Partner, or the admission of a new General or Limited Partner.

8. LIQUIDATION

8.1 LIQUIDATION OF PARTNERSHIP

(a) Upon termination of the Partnership, the General Partner shall conclude the affairs of the Partnership. If there is no General Partner, the Partnership affairs shall be concluded by a trustee selected in writing by the holders of a majority of the OP Units. The assets of the Partnership may be liquidated or distributed in kind, as determined by the General Partner or the trustee, and the same shall be applied as provided in Section 4.3, subject, however, to the provisions of Section 8.2.

(b) To the extent that Partnership assets cannot either be sold without undue loss or be readily divided for distribution in kind to the Partners, then the Partnership may, as determined by the General Partner or Trustee, convey those assets to a trust or other suitable holding entity established for the benefit of the Partners in order to permit the assets to be sold without undue loss and the proceeds thereof distributed to the Partners at a future date. The legal form of the holding entity, the identity of the trustee or other fiduciary, and the terms of its

governing instrument shall be determined by the General Partner, or if there is no General Partner, by the holders of a majority of the OP Units.

(c) If any Partnership assets are sold on the installment basis, any principal or interest distributable by the Partnership from such sale shall be distributed to the Partners as if undivided interests in the instrument evidencing such installment obligation had been distributed to the Partners in kind, as provided in Section (b) above.

8.2 LIQUIDATING DISTRIBUTIONS; RESTORATION OF CAPITAL ACCOUNT DEFICITS

Upon the liquidation of the Partnership or any Partner's interest in the Partnership, within the meaning of the Allocation Regulations:

(a) The capital accounts of the holders of the Common OP Units shall be adjusted to reflect the manner in which any unrealized income, gain, loss and deduction inherent in the Partnership's property, which has not previously been reflected in the Partners' capital accounts, would be allocated among the Partners if there were a taxable disposition of such property at fair market value on the date of distribution. Any resulting increase in the Partners' capital accounts shall be allocated first to the holders of the Preferred OP Units in proportions and amounts sufficient to bring their respective capital account balances up to the amount of the Issue Prices of their respective Preferred OP Units plus accrued and unpaid Preferred Dividends thereon, and the balance shall be allocated to the Common OP Units. Any resulting decrease in the Partners' capital accounts shall first be allocated to the holders of the Common OP Units in proportions and amounts sufficient to reduce their respective capital account balances to zero, then to the holders of the Preferred OP Units in proportions and amounts sufficient to reduce their respective capital account balances to zero, and the balance (if any) to the General Partner. Liquidating distributions shall be made in accordance with the positive capital account balances of the Partners, after giving effect to such adjustment and other capital account adjustments for the current year, as provided in the Allocation Regulations.

(b) If the General Partner has a deficit balance in its capital account following the liquidation of the Partnership or its interest in the Partnership, as determined after taking into account all capital account adjustments for the current year (other than those made pursuant to this Section 8.2), the General Partner shall be unconditionally obligated to restore the amount of such deficit balance to the Partnership within 90 days after the date of such liquidation, or by the end of the Partnership's taxable year in which the liquidation occurs, whichever is later. The amount restored shall, upon liquidation of the Partnership, be paid to creditors of the Partnership or distributed to other Partners in accordance with their positive capital account balances. No Limited Partner shall be obligated to restore a deficit in its capital account upon liquidation of the Partnership or its interest in the Partnership, although this sentence shall not be construed as limiting a Limited Partner's obligation to make capital contributions as provided elsewhere in this Agreement.

9. TRANSFERABILITY OF INTERESTS

9.1 IN GENERAL

Subject to Section 9.3, a Limited Partner may transfer any part or all of its interest in the Partnership, but such transfer shall not entitle the transferee to be substituted as a Partner, and the transferor shall remain a Partner and shall remain liable to the Partnership and the Partners as if such transfer had not occurred. The General Partner may not transfer its interest in the Partnership.

9.2 RIGHTS OF TRANSFEREES

A transferee of a Partnership interest shall not be admitted as a General Partner unless the holders of a majority of the OP Units consent in writing. A transferee shall not be admitted as a Limited Partner unless the General Partner consents in writing. If the General Partner does consent, then the transferor shall no longer be treated as a Partner. Any such consent may be given or withheld at the sole discretion of those Partners whose consent is required. As a condition of such consent, the General Partner may require a substitute Partner to pay the legal and other costs incurred by the Partnership in effecting its admission. A transferee who does not become a substitute Partner shall have no rights hereunder except to receive any allocations and distributions which (but for the transfer) would have been made to the transferor. No transfer of a Partnership interest shall be effective with respect to the Partnership until written notice thereof to the Partnership.

9.3 RESTRICTIONS ON TRANSFERS

(a) Notwithstanding the other provisions of this Section 9:

(1) No Partner shall transfer its interest in the Partnership unless the transferee agrees, in a writing delivered to and enforceable by the Partnership, to be bound by the provisions of this Section 9 as if it were a Partner.

(2) No Partner shall transfer its interest in the Partnership without the prior written consent of the General Partner if the effect of the transfer would be to terminate the Partnership within the meaning of Section 708(b) of the Internal Revenue Code.

(3) No Partner shall transfer its interest in the Partnership if such transfer would violate any applicable state or federal securities law.

(4) No Partner shall transfer its interest in the Partnership without an opinion of counsel in form and substance satisfactory to counsel for the Partnership that registration is not required under the Securities Act of 1933 or any applicable state securities law, unless the General Partner in its sole discretion waives such requirement.

(b) The Partners acknowledge that their interests in the Partnership have not been registered under any state or federal securities laws or regulations and agree that such interests will not be transferred without registration under such laws or regulations or exemption therefrom.

10. INVESTMENT REPRESENTATION

The Partners represent to each other and to the Partnership that they are holding their respective interests in the Partnership for their own personal accounts, and without a view to transferring or distributing their interests.

11. AMENDMENTS

This Agreement may be amended by the holders of a majority of the OP Units. In addition, Exhibit A may be amended from time to time by the General Partner to reflect the issuance, redemption or transfer of OP Units or any other change in the Partners or the OP Units. Any amendment made pursuant to this Section may be made effective as of any prospective date.

12. TAX ALLOCATIONS

12.1 GENERAL RULE

Each item of income, gain, deduction, loss and credit for federal income tax purposes shall be allocated among the Partners in the same proportions that the corresponding book item which gave rise to the tax item was allocated, or if there is no corresponding book item the tax item shall be allocated in accordance with their respective OP Units; provided, however, if the Allocation Regulations or other Treasury Regulations require that such item be allocated in a different manner, then the allocation shall be governed by the Allocation Regulations or such other Regulations. In the latter event, if the allocation may be made in more than one manner, it shall be made in such manner as the General Partner may determine.

12.2 BOOK/TAX DIFFERENTIALS

Whenever the book value of Partnership property differs from its adjusted basis for federal income tax purposes, the allocation of depreciation, depletion, amortization, and gain and loss with respect to such property, as determined for federal income tax purposes, shall be made in a manner which takes account of the variation between book value and adjusted tax basis in the same manner as variations between fair market value and adjusted tax basis of property contributed to the Partnership are taken into account under Section 704(c) of the Internal Revenue Code. With respect to the property contributed by any Partner, the Partnership shall use the traditional method, as described in Proposed Treasury Regulations Section 1.704-3(b).

12.3 QUALIFIED INCOME OFFSET

Since the Partners are not obligated to restore a deficit capital account balance upon liquidation of the Partnership or upon liquidation of their interest in the Partnership, or are obligated to restore only a limited amount of such deficit, if any Partner unexpectedly receives a distribution which is not offset by prior increases to its capital account, or a capital account adjustment or allocation of loss or deduction described in paragraph (b)(2)(ii)(d) of the Allocation Regulations (dealing with certain oil and gas depletion adjustments and certain deductions attributable to changes in a Partnership interest or a Partnership interest acquired by gift), then to the extent that such distribution, adjustment or allocation causes the Partner's deficit capital account balance to exceed the amount of such deficit which it is obligated to restore upon liquidation of the Partnership or its interest in the Partnership, such Partner shall be allocated items of income and gain in an amount and manner sufficient to eliminate such excess deficit balance as quickly as possible.

12.4 MINIMUM GAIN CHARGEBACK

If there is a net decrease in the Partnership's "minimum gain" for any taxable year of the Partnership, each Partner with a deficit capital account balance at the end of such year shall be allocated, before any other allocation is made under Section 704(b) of the Internal Revenue Code, items of income and gain for such year (and, if necessary, subsequent years), in the amount and in the proportions needed to eliminate such deficit as quickly as possible, to the extent of such Partner's share of the net decrease in the minimum gain. In applying the provisions of this Section, a Partner's capital account balance shall be adjusted, and items of income and gain shall be allocated, and the minimum gain and a Partner's share thereof shall be calculated, in the manner provided in the Allocation Regulations.

12.5 SECTION 754 ELECTIONS

The General Partner will make an election under Section 754 of the Internal Revenue Code and the allocation of items of income, deduction, gain or loss shall be governed by the regulations under Section 754.

12.6 TAX CREDITS

Any credit allowable to the Partnership for federal income tax purposes or any recapture with respect to such credit shall be allocated among the Partners in proportion to their respective OP Units. Upon the sale or other disposition of any property with respect to which the investment tax credit was allowed, the gain thereby realized by the Partnership shall, to the extent of any net basis reduction by reason of the investment tax credit, be allocated to the Partners in the proportions that the investment tax credit was allocated.

12.7 DEPRECIATION RECAPTURE

Upon the disposition of Partnership property, each Partner's share of the total gain (if any) shall include a share of any part of the gain which constitutes ordinary income for federal income tax purposes due to recapture of depreciation, proportionate to its share of the depreciation as previously allocated to the Partners. If only a portion of the depreciation results in ordinary income treatment (such as in the case of depreciation on certain real property in excess of straight-line), the allocation shall be made based on the manner in which such portion of the depreciation was allocated. If a Partner's share of such ordinary income would otherwise exceed its share of the total gain, the excess shall be reallocated among the other Partners in proportion to their respective shares of the total gain. Notwithstanding the foregoing, if an election under Section 754 of the Internal Revenue Code is in effect with respect to the interest of any Partner, the allocation of such ordinary income to him shall be governed by applicable Treasury Regulations.

13. MISCELLANEOUS PROVISIONS

13.1 BOOKS OF ACCOUNT; REPORTS

(a) The General Partner shall keep true and complete books of account and records of all Partnership transactions. The books of account and records shall be kept at the office of the Partnership designated in Section 1 of this Agreement. The Partnership shall maintain at such office books of account and records including: (i) a list of names and addresses of all Partners and other investors in the Partnership; (ii) a copy of the Certificate of Limited Partnership together with executed copies of all powers of attorney pursuant to which the Certificate of Limited Partnership has been executed; (iii) copies of the Partnership's federal, state and local income tax returns and reports for the three most recent years; (iv) copies of the Partnership's effective Partnership Agreement; and (v) copies of the financial statements of the Partnership for the three most recent years. Such Partnership records shall be available to any Partner or its designated representative during ordinary business hours at the reasonable request and expense of such Partner.

(b) The General Partner shall not be required to deliver or mail a copy of the Certificate of Limited Partnership to any Partner except upon such Partner's written request.

(c) Each Limited Partner or its designated representative may inspect the books and records of the Partnership at any reasonable time for proper purposes.

(d) The Partnership shall provide all Limited Partners with annual balance sheets and income statements. Such balance sheets and income statements need not be audited unless the holders of a majority of the OP Units so request, in which event the cost of the audit shall be paid by the Partnership.

13.2 BANK ACCOUNTS AND INVESTMENT OF FUNDS

All funds of the Partnership shall be deposited in its name in such checking accounts, savings accounts, time deposits, or certificates of deposit or shall be invested in such other manner, as shall be designated by the General Partner from time to time. Withdrawals shall be made upon such signature or signatures as the General Partner may designate.

13.3 ACCOUNTING DECISIONS

All decisions as to accounting matters shall be made by the General Partner in accordance with the accounting principles provided for in this Agreement, consistently applied. Such decisions shall be acceptable to the accountants or attorneys retained by the Partnership, and the General Partner may rely upon the advice of the accountants or attorneys as to whether such decisions are in accordance with such accounting principles.

13.4 FEDERAL INCOME TAX ELECTIONS

The Partnership shall make all federal income tax elections in such manner as the General Partner determines to be in the best interest of the Partners upon the advice of the attorneys or accountants retained by the Partnership. The General Partner may elect to compute depreciation and to make other calculations for federal income tax purposes in the same manner as such calculations are made in its financial reports to its shareholders.

13.5 MEETINGS OF PARTNERSHIP

The General Partner shall promptly call an informational meeting of all Limited Partners upon request by 25% in interest or more of the Limited Partners who are unaffiliated with the General Partner or its affiliates.

13.6 ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof and may be modified only as provided herein, except that the provisions of any Subscription Agreement pursuant to which any Limited Partner subscribed for its interest in the Partnership shall continue in full force and effect. No representations or oral or implied agreements have been made by any party hereto or its agent, and no party hereto relies upon any representation or agreement not set forth herein.

13.7 NOTICES, ETC

Any notice, writing, or other matter, and any distribution, to be delivered hereunder shall be deemed delivered when deposited in the United States mail with postage prepaid and addressed to the Partnership at the Partnership's principal offices, to a Partner at its address as set forth in Exhibit A and to a transferee of a Partner at its address as

set forth in the notice of transfer; provided, that a person may change its address by written notice to the Partnership.

13.8 CONSENT OF LIMITED PARTNERS

Various provisions of this Agreement require or permit the consent, agreement, approval or disapproval, written or otherwise, of the Limited Partners. In any such case, the General Partner shall give all Limited Partners written notice of the action, event or agreement, and if such notice expressly so states, then if the Limited Partner does not indicate its disapproval by written notice to the General Partner within the period of time (not less than 15 days after mailing of the notice) specified in the notice, such Partner shall be deemed to have given its written consent, approval or agreement.

13.9 FURTHER EXECUTION

Upon request of the General Partner from time to time, the Partners shall execute and swear to or acknowledge any amended Certificate of Limited Partnership and any other writing which may be required by any rule or law or which may be appropriate to the effecting of any action by or on behalf of the Partnership or the Partners which has been taken in accordance with the provisions of this Agreement.

13.10 SUBMISSION TO MICHIGAN JURISDICTION

Water Oak, Ltd. irrevocably designates Winderweedle, Haines, Ward & Woodman, P.A., or its successor, as its agent to accept service of process in any action or proceeding brought by the Partnership or any party to this Agreement (but not any third party unless Water Oak, Ltd. is impleaded by the Partnership or a party to this Agreement) against Water Oak, Ltd. and arising out of this Agreement or any breach thereof. During such time as any other Limited Partner is not domiciled within the State of Michigan, such Limited Partner irrevocably designates the General Partner as its agent to accept service of process in any action or proceeding brought by the Partnership or any party to this Agreement (but not any third party unless such Limited Partner is impleaded by the Partnership or a party to this Agreement) against him and arising out of this Agreement or any breach thereof. The above designations shall not be revoked by the act, death or incapacity of any Limited Partner and shall bind such Partner's heirs, personal representatives, successors and assigns. All Limited Partners consent to the jurisdiction of the courts and administrative agencies of the State of Michigan and its political subdivisions in any action or proceeding.

13.11 BENEFITS

This Agreement shall inure to the benefit of and shall bind the parties hereto, their successors and permitted assigns. None of the provisions of this Agreement shall be construed as for the benefit of or as enforceable by any creditor of the Partnership or the Partners or any other person not a party to this Agreement.

13.12 SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement in a particular respect shall not affect the validity and enforceability of any other provision of this Agreement or of the same provision in any other respect.

13.13 CAPTIONS

All captions are for convenience only, do not form a substantive part of this Agreement and shall not restrict or enlarge any substantive provisions of this Agreement.

13.14 GENDER

As used in this Agreement, the masculine, feminine and neuter gender shall be interchangeable.

13.15 COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one instrument. The General Partner shall have custody of counterparts executed in the aggregate by all Partners.

13.16 MICHIGAN LAW TO CONTROL

This Agreement shall be construed and enforced in accordance with Michigan law.

14. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

- - The term "AFFILIATE" or "AFFILIATES" means any person or entity which directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with a Partner.

- - "ALLOCATION REGULATIONS" means Treasury Regulations, '1.704-1(b) and -2, which govern the allocation of profits, losses and other items for federal income tax purposes.

- - "ASPEN GROUP" means those Limited Partners identified as such in Exhibit A and their successors in interest.

- - The term "TRANSFER" means any direct or indirect transfer, assignment, conveyance or alienation of, or succession to, any legal or beneficial interest or rights in the subject matter thereof, whether voluntary, involuntary or by operation

of law, including a sale, exchange, gift, contribution, pledge or granting of a security interest, or the act of entering into a pooling or sharing agreement. The parties to any such transaction are referred to as the "TRANSFEROR" and "TRANSFEREE", respectively.

- A "BUSINESS DAY" is a day other than a Saturday, Sunday or legal holiday under Michigan or federal law.

- "CERTIFICATE OF LIMITED PARTNERSHIP" means the Certificate of Limited Partnership, including all restatements thereof and amendments thereto, which are filed with the appropriate authorities under the law pursuant to which the Partnership is organized. At the execution of this Agreement, the Partnership's Certificate of Limited Partnership consists of a Restated Certificate of Limited Partnership filed with the Michigan Department of Commerce on December 28, 1993 and a number of amendments thereto which have also been filed with the Michigan Department of Commerce.

- "COMMON OP UNITS" are a class of OP Units and consist of the "OP Units" as defined in the Former Partnership Agreement, and any OP Units issued on or after the date hereof which are so designated upon issuance. The terms, rights and preferences of the Common OP Units are set forth in Section 3.

- - The "CONTRIBUTION AGREEMENTS" are those agreements pursuant to which Limited Partners acquired OP Units.

- - "CONVERSION DATE" is defined in Section 3.3.

- - "CONVERSION PERIOD" is defined in Section 3.3.

- - "CONVERSION NOTICE" is defined in Section 3.3.

- - The "FISCAL YEAR" of the Partnership, and its taxable year for federal income tax purposes, shall be the calendar year.

- - "FORMER PARTNERSHIP AGREEMENT" is defined in the Preliminary Statement.

- - The "HOLDER" of OP Units is the Partner who is shown in Exhibit A as owning the same, regardless of whether such Partner has transferred such OP Units, although a transferee may have rights in connection with such OP Units as provided in Section 9.2.

- - The "ISSUE PRICE" of the OP Units is the value assigned thereto upon issuance, as set forth in Section 3.6.

- - "INTERNAL REVENUE CODE" means the Internal Revenue Code of 1986.

- - "OP UNITS" are the units into which the Partners' interests in the Partnership have been divided, as more fully described in Section 3. OP Units consist of Common OP Units and Preferred OP Units.

- - The "PARTNERS" consist of the "GENERAL PARTNER" and the "LIMITED PARTNERS," who are the persons designated as such in Exhibit A. Any reference to a Partner shall, unless the context clearly requires otherwise, include a reference to its predecessor and successor (other than a mere assignee) in interest.

- - The "PARTNERSHIP" is the limited partnership formed pursuant to this Agreement.

- - The "PARTNERSHIP ACT" is the Michigan Revised Uniform Limited Partnership Act.

- - "POPU DEFAULT" is defined in Section 3.3.

- - "PREFERRED DIVIDEND ACCRUAL DATE" is defined in Section 3.3.

- - "PREFERRED DIVIDEND PAYMENT DATE" is defined in Section 3.3.

- - "PREFERRED DIVIDENDS" are defined in Section 3.3.

- - "PREFERRED OP UNITS" are a class of OP Units and consist of any OP Units issued on or after the date hereof which are so designated upon issuance. The terms, rights and preferences of the Preferred OP Units are set forth in Section 3.

All references to statutory or regulatory provisions shall be deemed to include reference to corresponding provisions of subsequent law or regulations.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first above written.

SUN COMMUNITIES, INC., a Michigan Corporation

By: Jonathan M. Colman

Jonathan M. Colman, Vice-President

[signatures continue on the following pages]

EXHIBIT 10.2

SUN COMMUNITIES, INC.

AMENDED AND RESTATED

1993 STOCK OPTION PLAN

ARTICLE I.

PURPOSE AND ADOPTION OF THE PLAN

1.01 PURPOSE. The purpose of the Sun Communities, Inc. Stock Option Plan (the "Plan") is to provide certain key employees of Sun Communities, Inc. (the "Company") with an additional incentive to promote the Company's financial success and to provide an incentive which the Company may use to induce able persons to enter into or remain in the employment of the Company or a Subsidiary.

1.02 ADOPTION AND TERM. The Plan was initially approved by the Board and the Company's shareholders and was effective as of November 19, 1993. The Amended and Restated Plan was approved by the Board on, and is effective as of, May 20, 1996, subject to approval of the Company's stockholders on or before May 20, 1997, and will remain in effect until all shares authorized under the terms of the Plan have been issued, unless earlier terminated or abandoned by action of the Board; provided, however, that no Incentive Stock Option may be granted after November 19, 2003.

ARTICLE II.
DEFINITIONS

2.01 ADMINISTRATOR means the group of persons having authority to administer the Plan pursuant to Section 3.01.

2.02 AVERAGE PRICE means, on any given date, the average of the closing sales prices of the Company Common Stock as quoted on the New York Stock Exchange for the ten (10) business day period immediately preceding and including the Date of Grant.

2.03 AWARD means any one or combination of Non-Qualified Stock Options, Performance Based Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Share Rights or any other award made under the terms of the Plan.

2.04 AWARD AGREEMENT means a written agreement between the Company and Participant or a written acknowledgment from the Company specifically setting forth the terms and conditions of an Award granted under the Plan.

2.05 AWARD PERIOD means, with respect to an Award, the period of time set forth in the Award Agreement during which specified conditions set forth in the Award Agreement must be satisfied.

2.06 BENEFICIARY means (a) an individual, trust or estate who or which, by will or by operation of the laws of descent and distribution, succeeds to the rights and obligations of the Participant under the Plan and Award Agreement upon the Participant's death; or (b) an individual, who by designation of the Participant, succeeds to the rights and obligations of the Participant under the Plan and Award Agreement upon the Participant's death.

2.07 BOARD means the Board of Directors of the Company.

2.08 CHANGE OF CONTROL EVENT means (a) an event or series of events by which any Person or other entity or group (as such term is used in Section 13(d) and 14(d) of the Exchange Act) of Persons or other entities acting in concert as a partnership or other group (a "Group of Persons") (other than Persons who are, or Groups of Persons entirely made up of, (i) management personnel of the Company or (ii) any affiliates of any such management personnel) shall, as a result of a tender or exchange offer or offers, an open market purchase or purchases, a privately negotiated purchase or purchases or otherwise, become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act, except that a Person shall be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 20% or more of the combined voting power of the then outstanding voting stock of the Company; (b) the Company consolidates with, or merges with or into, another Person (other than a Subsidiary in a transaction which is not otherwise a Change of Control Event), or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any Person, or any Person consolidates with, or merges with or into the Company, in any such event pursuant to a transaction in which the outstanding voting stock of the Company is converted into or exchanged for cash, securities or other property; (c) during any consecu-tive two-year period, individuals who at the beginning of such period consti-tuted the Board (together with any new directors whose election by such Board or whose nomination for election by the stockholders of the Company, was approved by a vote of 66-2/3% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board then in office; or (d) any liquidation or dissolution of the Company (other than a liquidation into a Subsidiary that is not otherwise a Change of Control Event).

2.09 CODE means the Internal Revenue Code of 1986, as amended. References to a section of the Code shall include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes that section.

2.10 COMPANY means Sun Communities, Inc., a Maryland corporation.

2.11 COMPANY COMMON STOCK means the Common Stock of the Company, par value $0.01.

2.12 DATE OF GRANT means the date designated by the Administrator as the date as of which it grants an Award, which shall not be earlier than the date on which the Administrator approves the granting of such Award.

2.13 DIRECTOR means a member of the Board of Directors of the Company.

2.14 EXCHANGE ACT means the Securities Exchange Act of 1934, as amended.

2.15 EXERCISE PRICE means, with respect to a Stock Appreciation Right, the amount established by the Administrator, in accordance with Section 7.03 hereunder, and set forth in the Award Agreement, which is to be subtracted from the Fair Market Value on the date of exercise in order to determine the amount of the Incremental Value to be paid to the Participant.

2.16 EXPIRATION DATE means the date specified in an Award Agreement as

the expiration date of such Award.

2.17 FAIR MARKET VALUE means, with respect to Awards granted coincident with the date of the closing of the Company's initial public offering of Company Common Stock, the public offering price. Thereafter, Fair Market Value means, on any given date, the average of the highest and lowest selling price for the Company Common Stock as reported on the Composite Tape for New York Stock Exchange Listed Companies, or, if there were no sales on such date, the average of the highest and lowest selling price for the most recent date upon which a sale was reported.

2.18 INCENTIVE STOCK OPTION means a stock option described in Section 422 of the Code.

2.19 INCREMENTAL VALUE has the meaning given such term in Section 7.01 of the Plan.

2.20 NON-QUALIFIED STOCK OPTION means a stock option which is not an Incentive Stock Option.

2.21 OFFICER means a president, vice president, treasurer, secretary, controller, and any other person who performs functions corresponding to the foregoing officers for the Company, any member of the Board of the Company or any person performing similar functions with respect to the Company, and any other participant who is deemed to be an officer or director of the Company for purposes of Section 16 of the Exchange Act and the rules thereunder, as currently in effect or as amended from time to time.

2.22 OPTIONS means all Non-Qualified Stock Options, Incentive Stock Options and Performance Based Options granted at any time under the Plan.

2.23 PARTICIPANT shall have the meaning set forth in Article V.

2.24 PERFORMANCE BASED OPTION means a stock option which, upon exercise or at any other time, would not result in or give rise to "applicable employee remuneration" within the meaning of Section 162(m) of the Code.

2.25 PLAN means the Sun Communities, Inc. Stock Option Plan, as described herein and as it may be amended from time to time.

2.26 PURCHASE PRICE, with respect to options, shall have the meaning set forth in Section 6.02.

2.27 RESTRICTED SHARE RIGHT means a right to receive Company Common Stock subject to restrictions imposed under the terms of an Award granted pursuant to Article IX.

2.28 RULE 16B-3 means Rule 16b-3 promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act, as currently in effect and as it may be amended from time to time, and any successor rule.

2.29 STOCK APPRECIATION RIGHT means an Award granted in accordance with Article VII.

2.30 SUBSIDIARY shall have the meaning set forth in Section 424(f) of the

Code.

2.31 TERMINATION OF EMPLOYMENT means the voluntary or involuntary termination of a Participant's employment with the Company for any reason, including death, disability, retirement or as the result of the divestiture of the Participant's employer or any other similar transaction in which the Participant's employer ceases to be the Company or a Subsidiary of the Company. Whether an authorized leave of absence or absence on military or government service, absence due to disability, or absence for any other reason shall constitute Termination of Employment shall be determined in each case by the Administrator in its sole discretion.

ARTICLE III.
ADMINISTRATION

3.01 ADMINISTRATION. The Administrator of the Plan shall be a committee of two or more Directors with authority to act as provided in Rule 16b-3 and shall be elected or appointed by the Board. The members of the committee shall meet the "disinterested person" requirements of Rule 16b-3(c)(2)(i) and, with respect to Awards designated as Performance Based Options, shall also be "outside directors" within the meaning of Section 162(m) of the Code. The Administrator shall administer the Plan in accordance with this provision and shall have the sole discretionary authority to interpret the Plan, to establish and modify administrative rules for the Plan, to impose such conditions and restrictions on Awards as it determines appropriate, to cancel Awards (including those made pursuant to other plans of the Company) and to substitute new options (including options granted under other plans of the Company) with the consent of the recipient, and to take such steps in connection with the Plan and Awards granted thereunder as it may deem necessary or advisable. The Administrator may, with respect to Participants who are not Officers, delegate such of its powers and authority under the Plan as it deems appropriate to designated officers or employees of the Company.

3.02 INDEMNIFICATION. Members of the Administrator shall be entitled to indemnification and reimbursement from the Company for any action or any failure to act in connection with service as Administrator to the full extent provided for or permitted by the Company's certificate of incorporation or bylaws or by any insurance policy or other agreement intended for the benefit of the Company's officers, directors or employees or by any applicable law.

ARTICLE IV.
COMPANY COMMON STOCK ISSUABLE PURSUANT TO THE PLAN

4.01 SHARES ISSUABLE. Shares to be issued under the Plan may be authorized and unissued shares or issued shares which have been reacquired by the Company. Except as provided in Section 4.03, the Awards granted to any Participant and to all Participants in the aggregate under the Plan shall be limited so that the sum of the following shall never exceed nine percent (9%) of the total number of shares of Company Common Stock outstanding: (i) all shares which shall be issued upon the exercise of outstanding Options or other Awards granted under the Plan, (ii) all shares for which payment of Incremental Value shall be made by reason of the exercise of Stock Appreciation Rights at any time granted under the Plan, and (iii) the number of shares otherwise issuable under an Award which are applied by the Company to payment of the withholding or tax liability discussed in Section 11.04.

4.02 SHARES SUBJECT TO TERMINATED AWARDS. In the event that any Award at any time granted under the Plan shall be surrendered to the Company, be terminated or expire before it shall have been fully exercised, or an award of Stock Appreciation Rights is exercised for cash, then all shares formerly subject to such Award as to which such Award shall not have been exercised shall be available for any Award subsequently granted in accordance with the Plan. Shares of Company Common Stock subject to Options, or portions thereof, which have been surrendered in connection with the exercise of tandem Stock Appreciation Rights shall not be available for subsequent Awards under the Plan, and shares of Company Common Stock issued in payment of such Stock Appreciation Rights shall be charged against the number of shares of Company Common Stock available for the grant of Awards. Shares which are reacquired by the Company or shares issuable subject to Restricted Share Rights which are forfeited pursuant to forfeiture provisions in the Award Agreement shall be available for subsequently granted Awards only if the forfeiting Participant received no benefits of ownership (such as dividends actually paid to the Participant) other than voting rights of the forfeited shares. Any shares of Company Common Stock issued by the Company pursuant to its assumption or substitution of outstanding grants from acquired companies shall not reduce the number of shares available for Awards under this Plan unless issued under this Plan.

4.03 ADJUSTMENTS TO REFLECT CAPITAL CHANGES.

(a) RECAPITALIZATION. The number and kind of shares subject to outstanding Awards, the Purchase Price or Exercise Price for such shares, and the number and kind of shares available for Awards subsequently granted under the Plan shall be appropriately adjusted to reflect any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other change in capitalization with a similar substantive effect upon the Plan or the Awards granted under the Plan. The Administrator shall have the power to determine the amount of the adjustment to be made in each case.

(b) SALE OR REORGANIZATION. After any reorganization, merger or consolidation in which the Company is a surviving corporation, each Participant shall, at no additional cost, be entitled upon exercise of an Award to receive (subject to any required action by stockholders), in lieu of the number of shares of Company Common Stock receivable or exercisable pursuant to such Award, a number and class of shares of stock or other securities to which such Participant would have been entitled pursuant to the terms of the reorganization, merger or consolidation if, at the time of such reorganization, merger or consolidation, such Participant had been the holder of record of a number of shares of stock equal to the number of shares receivable or exercisable pursuant to such Award. Comparable rights shall accrue to each Participant in the event of successive reorganizations, mergers or consolidations of the character described above.

(c) OPTIONS TO PURCHASE STOCK OF ACQUIRED COMPANIES. After any reorganization, merger or consolidation in which the Company or a Subsidiary of the Company shall be a surviving corporation, the Administrator may grant substituted Options under the provisions of the Plan, pursuant to Section 424 of the Code, replacing old options granted under a plan of another party to the reorganization, merger or consolidation, where such party's stock may no longer be issued following such merger or consolidation. The foregoing adjustments and manner of application of the foregoing provisions shall be determined by the Administrator in its sole discretion. Any adjustments may provide for the elimination of any fractional shares which might otherwise have become subject

to any Awards.

ARTICLE V.
PARTICIPATION

5.01 ELIGIBLE EMPLOYEES. Participants in the Plan shall be the Officers who are employees of the Company or a Subsidiary of the Company and other employees of the Company or a Subsidiary having managerial, supervisory or similar responsibilities or who are key administrative employees or sales managers, and who are not covered by any collective bargaining agreement binding on such persons' employer, as the Administrator, in its sole discretion, may designate from time to time. The Administrator's designation of a Participant in any year shall not require the Administrator to designate such person to receive Awards in any other year. The Administrator shall consider such factors as it deems pertinent in selecting Participants and in determining the type and amount of their respective Awards.

5.02 SPECIAL PROVISIONS FOR CERTAIN NON-EMPLOYEES. Notwithstanding any provision contained in this Plan to the contrary, the Administrator may grant Awards under the Plan to non-employees who, in the judgment of the Administrator, render significant services to the Company or a Subsidiary, on such terms and conditions as the Administrator deems appropriate and consistent with the intent of the Plan.

ARTICLE VI.
OPTION AWARDS

6.01 POWER TO GRANT OPTIONS. The Administrator may grant, to such Partici-pants as the Administrator may select, Options entitling the Participant to purchase Company Common Stock from the Company at the Average Price in such quantity and on such terms and subject to such conditions, not inconsistent with the terms of this Plan, as may be established by the Administrator; provided, however, that the Options may be granted at exercise prices of no less than 85% of the Average Price if such discount is expressly granted in lieu of a reasonable amount of salary or bonus. The terms of any Option granted under this Plan shall be set forth in an Award Agreement. Notwithstanding the foregoing, Options granted to Officers shall not be exercisable for a period of at least six months from the Date of Grant.

6.02 PURCHASE PRICE OF OPTIONS. The Purchase Price of each share of Company Common Stock which may be purchased upon exercise of any Option granted under the Plan shall be determined in accordance with Section 6.01, provided that the Purchase Price for shares of Company Common Stock purchased pursuant to Stock Options designated by the Administrator as Incentive Stock Options shall be equal to or greater than the Fair Market Value on the Date of Grant as required under Section 422 of the Code and provided further that the Purchase Price for shares of Company Common Stock purchased pursuant to Stock Options designated by the Administrator as Performance Based Options shall be equal to or greater than the Fair Market Value on the Date of Grant.

6.03 DESIGNATION OF INCENTIVE STOCK OPTIONS. Except as otherwise expressly provided in the Plan, the Administrator may designate, at the Date of Grant of each Option, that the Option is an Incentive Stock Option under Section 422 of the Code.

(a) INCENTIVE STOCK OPTION SHARE LIMITATION. No Participant may be granted Incentive Stock Options under the Plan (or any other plans of the

Company) which would result in stock with an aggregate Fair Market Value (measured on the Date of Grant) of more than $100,000 first becoming exercisable in any one calendar year, or which would entitle such Participant to purchase a number of shares greater than the maximum number permitted by Section 422 of the Code as in effect on the Date of Grant.

(b) OTHER INCENTIVE STOCK OPTION TERMS. Whenever possible, each provision in the Plan and in every Option granted under this Plan which is designated by the Administrator as an Incentive Stock Option shall be interpreted in such a manner as to entitle the Option to the tax treatment afforded by Section 422 of the Code. If any provision of this Plan or any Option designated by the Administrator as an Incentive Stock Option shall be held not to comply with requirements necessary to entitle such Option to such tax treatment, then (i) such provision shall be deemed to have contained from the outset such language as shall be necessary to entitle the Option to the tax treatment afforded under Section 422 of the Code, and (ii) all other provisions of this Plan and the Award Agreement shall remain in full force and effect. If any agreement covering an Option designated by the Administrator to be an Incentive Stock Option under this Plan shall not explicitly include any terms required to entitle such Incentive Stock Option to the tax treatment afforded by Section 422 of the Code, all such terms shall be deemed implicit in the designation of such Option and the Option shall be deemed to have been granted subject to all such terms.

6.04 DESIGNATION OF PERFORMANCE BASED OPTIONS. Except as otherwise expressly provided in the Plan, the Administrator may designate, at the Date of Grant of each Option, that the Option is a Performance Based Option. A Performance Based Option shall have a Purchase Price not less than the Fair Market Value on the Date of Grant and shall contain such other terms and conditions as the Administrator may deem necessary so that, upon exercise or at any other time, the Performance Based Option does not result in or give rise to "applicable employee remuneration" within the meaning of Section 162(m) of the Code.

6.05 RIGHTS AS A STOCKHOLDER. The Participant or any transferee of an Option pursuant to Section 8.02 or Section 11.05 shall have no rights as a stockholder with respect to any shares of Company Common Stock covered by an Option until the Participant or transferee shall have become the holder of record of any such shares, and no adjustment shall be made for dividends and cash or other property or distributions or other rights with respect to any such shares of Company Common Stock for which the record date is prior to the date on which the Participant or a transferee of the Option shall have become the holder of record of any such shares covered by the Option.

ARTICLE VII.
STOCK APPRECIATION RIGHTS

7.01 POWER TO GRANT STOCK APPRECIATION RIGHTS. The Administrator is authorized to grant to any Participant, on such terms established by the Administrator on or prior to the Date of Grant and subject to and not inconsistent with the provisions of this Plan, the right to receive the payment from the Company, payable as provided in Section 7.04, of an amount equal to the Incremental Value of the Stock Appreciation Rights, which shall be an amount equal to the remainder derived from subtracting (i) the Exercise Price for the right established in the Award Agreement from (ii) the Fair Market Value of a share of Company Common Stock on the date of exercise. The terms of any Stock Appreciation Right granted under the Plan shall be set forth in an Award

Agreement.

7.02 TANDEM STOCK APPRECIATION RIGHTS. The Administrator may grant to any Participant a Stock Appreciation Right consistent with the provisions of this Plan covering any share of Company Common Stock which is, at the Date of Grant of the Stock Appreciation Right, also covered by an Option granted to the same Participant, either prior to or simultaneously with the grant to such Participant of the Stock Appreciation Right, provided: (i) any Option covering any share of Company Common Stock shall expire and not be exercisable upon the exercise of any Stock Appreciation Right with respect to the same share; (ii) any Stock Appreciation Right covering any share of Company Common Stock shall not be exercisable upon the exercise of any related Option with respect to the same share; and (iii) an Option and Stock Appreciation Right covering the same share of Company Common Stock may not be exercised simultaneously.

7.03 EXERCISE PRICE. The Exercise Price established under any Stock Appreciation Right granted under this Plan shall be determined by the Administrator and, in the case of a tandem Stock Appreciation Right, shall not be less than the Purchase Price of the related Option. Upon exercise of the Stock Appreciation Rights, the number of shares subject to exercise under a related Option shall automatically be reduced by the number of shares of Company Common Stock represented by the Option or portion thereof which is surrendered as a result of the exercise of such Stock Appreciation Rights.

7.04 PAYMENT OF INCREMENTAL VALUE. Any payment which may become due from the Company by reason of Participant's exercise of a Stock Appreciation Right may be paid to the Participant as determined by the Administrator (i) all in cash, (ii) all in Company Common Stock, or (iii) in any combination of cash and Company Common Stock. In the event that all or a portion of the payment is made in Company Common Stock, the number of shares of the Company Common Stock delivered in satisfaction of such payment shall be determined by dividing the amount of the payment by the Fair Market Value on the date of exercise. The Administrator may determine whether payment upon exercise of a Stock Appreciation Right will be made in cash or in stock, or a combination thereof, upon or at any time prior to the exercise of such Stock Appreciation Right. No fractional share of Company Common Stock shall be issued to make any payment; if any fractional shares would be issuable, the mix of cash and Company Common Stock payable to the Participant shall be adjusted as directed by the Administrator to avoid the issuance of any fractional share. Payment may be made in cash to Officers only if the Stock Appreciation Right is exercised during the "window period" required under Rule 16b-3(e)(3) and otherwise in accordance with Rule 16b-3.

ARTICLE VIII.
TERMS OF OPTIONS AND STOCK APPRECIATION RIGHTS

8.01 DURATION OF OPTIONS AND STOCK APPRECIATION RIGHTS. Options and Stock Appreciation Rights shall terminate after the first to occur of the following events:

(a) Expiration Date of the Award as provided in the Award Agreement; or

(b) Termination of the Award as provided in Section 8.02; or

(c) In the case of an Incentive Stock Option, ten years from the Date of Grant; or

(d) Solely in the case of tandem Stock Appreciation Rights, upon the Expiration Date of the related Option.

8.02 EXERCISE ON DEATH OR TERMINATION OF EMPLOYMENT.

(a) Unless otherwise provided in the Award Agreement, in the event of the death of a Participant while an employee of the Company or a Subsidiary of the Company, the right to exercise all unexpired Awards shall be accelerated and shall accrue as of the date of death, and the Participant's Awards may be exercised by his Beneficiary at any time within one year after the date of the Participant's death.

(b) Unless otherwise provided in the Award Agreement, in the event of Participant's Termination of Employment at any time for any reason (including disability or retirement) other than death or for "cause", as defined in paragraph (d) below, an Award may be exercised, but only to the extent it was otherwise exercisable, on the date of Termination of Employment, within ninety days after the date of Termination of Employment. In the event of the death of the Participant within the ninety-day period following Termination of Employment, his Award may be exercised by his Beneficiary within the one year period provided in subparagraph (a) above.

(c) With respect to an Award which is intended to constitute an Incentive Stock Option, upon Termination of Employment, such Award shall be exercisable as provided in Section 422 of the Code.

(d) In the event that a Participant's Termination of Employment is for "cause", all Awards shall terminate immediately upon Termination of Employment. A Participant's employment shall be deemed to have been terminated for "cause" if such termination is determined, in the sole discretion of the Administrator, to have resulted from an act or omission by the Participant constituting active and deliberate dishonesty, as established by a final judgment or actual receipt of an improper benefit or profit in money, property or services, or from the Participant's continuous failure to perform his or her duties under any employment agreement in effect between the Participant and the Company in any material manner (or, in the absence of such an agreement, the consistent failure or refusal of the Participant to perform according to reasonable expectations and standards set by the Board and/or management consistent with Participant's title and position) after receipt of notice of such failure from the Company specifying how the Participant has so failed to perform.

8.03 ACCELERATION OF EXERCISE TIME. The Administrator, in its sole discretion, shall have the right (but shall not in any case be obligated) to permit purchase of shares under any Award prior to the time such Award would otherwise become exercisable under the terms of the Award Agreement.

8.04 EXTENSION OF EXERCISE TIME. The Administrator, in its sole discretion, shall have the right (but shall not in any case be obligated) to permit any Award granted under this Plan to be exercised after its Expiration Date or after the ninety day period following Termination of Employment, subject, however, to the limitations described in Section 8.01 (c) and (d).

8.05 CONDITIONS FOR EXERCISE. An Award Agreement may contain such

waiting periods, exercise dates and restrictions on exercise (including, but not limited to, periodic installments which may be cumulative) as may be determined by the Administrator at the Date of Grant. No Stock Appreciation Right may be exercised prior to six months from the Date of Grant.

8.06 CHANGE OF CONTROL EVENT. Unless otherwise provided in the Award Agreement, and subject to such other terms and conditions as the Administrator may establish in the Award Agreement, upon the occurrence of a Change of Control Event, irrespective of whether or not an Award is then exercisable, the Participant shall have the right to exercise in full any unexpired Award to the extent not theretofore exercised or terminated; provided, however, that any Stock Appreciation Right so exercised must have a Date of Grant at least six months prior to the date of exercise.

8.07 EXERCISE PROCEDURES. Each Option and Stock Appreciation Right granted under the Plan shall be exercised by written notice to the Company which must be received by the officer of the Company designated in the Award Agreement on or before the Expiration Date of the Award. The Purchase Price of shares purchased upon exercise of an Option granted under the Plan shall be paid in full in cash by the Participant pursuant to the Award Agreement; provided, however, that the Administrator may (but need not) permit payment to be made by delivery to the Company of either (a) shares of Company Common Stock (including shares issuable to the Participant pursuant to the exercise of the Option), or (b) any combination of cash and shares of Company Common Stock, or (c) such other consideration as the Administrator deems appropriate and in compliance with applicable law (including payment in accordance with a cashless exercise program under which, if so instructed by the Participant, shares of Company Common Stock may be issued directly to the Participant's broker or dealer upon receipt of the Purchase Price in cash from the broker or dealer.) In the event that any Company Common Stock shall be transferred to the Company to satisfy all or any part of the Purchase Price, the part of the Purchase Price deemed to have been satisfied by such transfer of Company Common Stock shall be equal to the product derived by multiplying the Fair Market Value as of the date of exercise times the number of shares transferred. The Participant may not transfer to the Company in satisfaction of the Purchase Price (y) a number of shares which when multiplied times the Fair Market Value as of the date of exercise would result in a product greater than the Purchase Price or (z) any fractional share of Company Common Stock. Any part of the Purchase Price paid in cash upon the exercise of any Option shall be added to the general funds of the Company and used for any proper corporate purpose. Unless the Administrator shall otherwise determine, any Company Common Stock transferred to the Company as payment of all or part of the Purchase Price upon the exercise of any Option shall be held as treasury shares.

ARTICLE IX.
RESTRICTED STOCK AWARDS

9.01 RESTRICTED SHARE AWARDS. The Administrator may grant to any Participant an Award of Restricted Share Rights entitling such person to receive shares of Company Common Stock in such quantity, and on such terms, conditions and restrictions (whether based on performance standards, periods of service or otherwise) as the Administrator shall determine on or prior to the Date of Grant. The terms of any Award of Restricted Share Rights granted under the Plan shall be set forth in an Award Agreement.

9.02 DURATION OF RESTRICTED SHARE RIGHTS. In no event shall any Restricted Share Rights granted entitle the holder to receive shares of Company Common Stock

free of all restrictions on transfer at any time prior to the expiration of three years from the Date of Grant, and each Award Agreement shall provide that the Participant shall remain employed by the Company or a Subsidiary for that three year period (subject to the Company's or Subsidiary's right to terminate such employment).

9.03 FORFEITURE OF RESTRICTED SHARE RIGHTS. Subject to Section 9.05, all Restricted Share Rights shall be forfeited and all Restricted Share Awards shall terminate unless the Participant continues in the service of the Company or a Subsidiary until the expiration of the forfeiture and satisfies any other conditions set forth in the Award Agreement. If the Award Agreement shall so provide, in the case of death, disability or retirement (as defined in the Award Agreement) of the Participant, all of the shares covered by the Restricted Share Rights shall immediately vest and any restrictions shall lapse as of the date of such death, disability or retirement.

9.04 DELIVERY OF SHARES UPON VESTING. Upon the lapse of the restrictions established in the Award Agreement, the Participant shall be entitled to receive, without payment of any cash or other consideration, certificates for the number of shares covered by the Award.

9.05 WAIVER OR MODIFICATION OF FORFEITURE PROVISIONS. The Administrator has full power and authority to modify or waive any or all terms, conditions or restrictions (other than the minimum restriction period set forth in Section 9.02) applicable to any Restricted Share Rights granted to a Participant under the Plan; provided that no modification shall, without consent of the Participant, adversely affect the Participant's rights thereunder and no modification shall reduce the employment require-ment to less than three years, except in the case of death, disability or retirement.

9.06 RIGHTS AS A STOCKHOLDER. No person shall have any rights as a stockholder with respect to any shares subject to Restricted Share Rights until such time as the person shall have been issued a certificate for such shares.

ARTICLE X.
OTHER STOCK BASED AWARDS

10.01 GRANT OF OTHER AWARDS. Other Awards of Company Common Stock or other securities of the Company and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Company Common Stock ("Other Awards") may be granted either alone or in addition to or in conjunction with Options or Stock Appreciation Rights under the Plan. Subject to the provisions of the Plan, the Administrator shall have the sole and complete authority to determine the persons to whom and the time or times at which Other Awards shall be made, the number of shares of Company Common Stock or other securities, if any, to be granted pursuant to such Other Awards, and all other conditions of such Other Awards. Any Other Award shall be confirmed by an Award Agreement executed by the Administrator and the Participant, which agreement shall contain such provisions as the Administrator determines to be necessary or appropriate to carry out the intent of this Plan with respect to the Other Award.

10.02 TERMS OF OTHER AWARDS. In addition to the terms and conditions specified in the Award Agreement, Other Awards made pursuant to this Article X shall be subject to the following:

(a) Any shares of Company Common Stock subject to such Other

Awards may not be sold, assigned, transferred or otherwise encumbered prior to the date on which the shares are issued, or, if later, the date on which any applicable restriction, performance or deferral period lapses; and

(b) If specified by the Administrator and the Award Agreement, the recipient of an Other Award shall be entitled to receive, currently or on a deferred basis, interest or dividends or dividend equivalents with respect to the Company Common Stock or other securities covered by the Other Award; and

(c) The Award Agreement with respect to any Other Award shall contain provisions providing for the disposition of such Other Award in the event of Termination of Employment prior to the exercise, realization or payment of such Other Award, with such provisions to take account of the specific nature and purpose of the Other Award.

ARTICLE XI.
TERMS APPLICABLE TO ALL AWARDS

11.01 AWARD AGREEMENT. The grant and the terms and conditions of the Award shall be set forth in an Award Agreement between the Company and the Participant. No person shall have any rights under any Award granted under the Plan unless and until the Administrator and the Participant to whom the Award is granted shall have executed and delivered an Award Agreement expressly granting the Award to such person and setting forth the terms of the Award.

11.02 PLAN PROVISIONS CONTROL AWARD TERMS. The terms of the Plan shall govern all Awards granted under the Plan, and in no event shall the Administrator have the power to grant any Award under the Plan which is contrary to any of the provisions of the Plan. In the event any provision of any Award granted under the Plan shall conflict with any term in the Plan as constituted on the Date of Grant of such Award, the term in the Plan as constituted on the Date of Grant of such Award shall control. Except as provided in Section 4.03, (i) the terms of any Award granted under the Plan may not be changed after the granting of such Award without the express approval of the Participant and (ii) no modification may be made to an Award granted to an Officer except in compliance with Rule 16b-3.

11.03 MODIFICATION OF AWARD AFTER GRANT. Each Award granted under the Plan to a Participant other than an Officer may be modified after the date of its grant by express written agreement between the Company and the Participant, provided that such change (i) shall not be inconsistent with the terms of the Plan and (ii) shall be approved by the Administrator. No modifications may be made to any Awards granted to an Officer except in compliance with Rule 16b-3.

11.04 TAXES. The Company shall be entitled, if the Administrator deems it necessary or desirable, to withhold (or secure payment from the Participant 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 any amount payable and/or shares issuable under such Participant's Award, or with respect to any income recognized upon a disqualifying disposition of shares received pursuant to the exercise of an Incentive Stock Option, and the Company may defer payment or issuance of the cash or stock upon exercise or vesting of an Award unless indemnified to its satisfaction against any liability for such tax. The amount of such withholding or tax payment shall be determined by the Administrator and, unless otherwise provided by the Administrator, shall be payable by the Participant at the time of issuance or payment in accordance

with the following rules:

(a) A Participant, other than an Officer, shall have the right to elect to meet his or her withholding requirement by: (1) having the Company withhold from such Award the appropriate number of shares of Company Common Stock, rounded out to the next whole number, the Fair Market Value of which is equal to such amount, or, in the case of the cash payment, the amount of cash, as is determined by the Company to be sufficient to satisfy applicable tax withholding requirements; or (2) direct payment to the Company in cash of the amount of any taxes required to be withheld with respect to such Award.

(b) Unless otherwise provided by the Administrator, with respect to Officers, the Company shall withhold from such Award the appropriate number of shares of Company Common Stock, rounded up to the next whole number, the Fair Market Value of which is equal to the amount, as determined by the Administrator, (or, in the case of a cash payment, the amount of cash) required to satisfy applicable tax withholding requirements.

(c) In the event that an Award or property received upon exercise of an Award has already been transferred to the Participant on the date upon which withholding requirements apply, the Participant shall pay directly to the Company the cash amount determined by the Company to be sufficient to satisfy applicable federal, state or local withholding requirements. The Participant shall provide to the Company such information as the Company shall require to determine the amounts to be withheld and the time such withholding requirements become applicable.

(d) If permitted under applicable federal income tax laws, a Participant may elect to be taxed in the year in which an Award is exercised or received, even if it would not otherwise have become taxable to the Participant. If the Participant makes such an election, the Participant shall promptly notify the Company in writing and shall provide the Company with a copy of the executed election form as filed with the Internal Revenue Service no later than thirty days from the date of exercise or receipt. Promptly following such notification, the Participant shall pay directly to the Company the cash amount determined by the Company to be sufficient to satisfy applicable federal, state or local withholding tax requirements.

11.05 LIMITATIONS ON TRANSFER. A Participant's rights and interest under the Plan may not be assigned or transferred other than by will or the laws of descent and distribution, or pursuant to the terms of a domestic relations order, as defined in Section 414(p)(1)(B) of the Code, which satisfies the requirements of Section 414(p)(1)(A) of the Code (a "Qualified Domestic Relations Order"). During the lifetime of a Participant, only the Participant personally (or the Participant's personal representative or attorney-in-fact) or the alternate payee named in a Qualified Domestic Relations Order may exercise the Participant's rights under the Plan. The Participant's Beneficiary may exercise a Participant's rights to the extent they are exercisable under the Plan following the death of the Participant.

11.06 SURRENDER OF AWARDS. Any Award granted under the Plan may be surrendered to the Company for cancellation on such terms as the Administrator and Participant approve, including, but not limited to, terms which provide that upon such surrender the Company will pay to the Participant cash or Company Common Stock, or a combination of cash and Company Common Stock.

ARTICLE XII.
GENERAL PROVISIONS

12.01 AMENDMENT AND TERMINATION OF PLAN.

(a) AMENDMENT. The Board shall have complete power and authority to amend the Plan at any time and to add any other stock based Award or other incentive compensation programs to the Plan as it deems necessary or appropriate and no approval by the stockholders of the Company or by any other person, committee or entity of any kind shall be required to make any amendment; provided, however, that the Board shall not, without the requisite affirmative approval of stockholders of the Company, (i) make any amendment which requires stockholder approval under any applicable law, including Rule 16b-3 or the Code; or (ii) which, unless approved by the requisite affirmative approval of stockholders of the Company, would cause, result in or give rise to "applicable employee remuneration" within the meaning of Section 162(m) of the Code with respect to any Performance Based Option. No termination or amendment of the Plan may, without the consent of the Participant to whom any Award shall theretofore have been granted under the Plan, adversely affect the right of such individual under such Award. For the purposes of this section, an amendment to the Plan shall be deemed to have the affirmative approval of the stockholders of the Company if such amendment shall have been submitted for a vote by the stockholders at a duly called meeting of such stockholders at which a quorum was present and the majority of votes cast with respect to such amendment at such meeting shall have been cast in favor of such amendment, or if the holders of outstanding stock having not less than a majority of the outstanding shares consent to such amendment in writing in the manner provided under the Company's bylaws.

(b) TERMINATION. The Board shall have the right and the power to terminate the Plan at any time. If the Plan is not earlier terminated, the Plan shall terminate when all shares authorized under the Plan have been issued. No Award shall be granted under the Plan after the termination of the Plan, but the termination of the Plan shall not have any other effect and any Award outstanding at the time of the termination of the Plan may be exercised after termination of the Plan at any time prior to the expiration date of such Award to the same extent such award would have been exercisable if the Plan had not been terminated.

12.02 NO RIGHT TO EMPLOYMENT. No employee or other person shall have any claim or right to be granted an Award under this Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of the Company or a Subsidiary of the Company.

12.03 COMPLIANCE WITH RULE 16B-3. It is intended that the Plan be applied and administered in compliance with Rule 16b-3. If any provision of the Plan would be in violation of Rule 16b-3 if applied as written, such provision shall not have effect as written and shall be given effect so as to comply with Rule 16b-3, as determined by the Administrator. The Board is authorized to amend the Plan and to make any such modifications to Award Agreements to comply with Rule 16b-3, as it may be amended from time to time, and to make any other such amendments or modifications as it deems necessary or appropriate to better accomplish the purposes of the Plan in light of any amendments made to Rule 16b-3.

12.04 SECURITIES LAW RESTRICTIONS. The shares of Company Common Stock issuable pursuant to the terms of any Awards granted under the Plan may not be issued by the Company without registration or qualification of such shares under the Securities Act of 1933, as amended, or under various state securities laws or without an exemption from such registration requirements. Unless the shares to be issued under the Plan have been registered and/or qualified as appropriate, the Company shall be under no obligation to issue shares of Company Common Stock upon exercise of an Award unless and until such time as there is an appropriate exemption available from the registration or qualification requirements of federal or state law as determined by the Administrator in its sole discretion. The Administrator may require any person who is granted an award hereunder to agree with the Company to represent and agree in writing that if such shares are issuable under an exemption from registration requirements, the shares will be "restricted" securities which may be resold only in compliance with applicable securities laws, and that such person is acquiring the shares issued upon exercise of the Award for investment, and not with the view toward distribution.

12.05 CAPTIONS. The captions (i.e., all section headings) used in the Plan are for convenience only, do not constitute a part of the Plan, and shall not be deemed to limit, characterize or affect in any way any provisions of the Plan, and all provisions of the Plan shall be construed as if no captions have been used in the Plan.

12.06 SEVERABILITY. Whenever possible, each provision in the Plan and every Award at any time granted under the Plan shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of the Plan or any Award at any time granted under the Plan shall be held to be prohibited or invalid under applicable law, then (a) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law and (b) all other provisions of the Plan and every other Award at any time granted under the Plan shall remain in full force and effect.

12.07 NO STRICT CONSTRUCTION. No rule of strict construction shall be implied against the Company, the Administrator, or any other person in the interpretation of any of the terms of the Plan, any Award granted under the Plan or any rule or procedure established by the Administrator.

12.08 CHOICE OF LAW. All determinations made and actions taken pursuant to the Plan shall be governed by the laws of Michigan and construed in accordance therewith.

EXHIBIT 10.3

SUN COMMUNITIES, INC.

AMENDED AND RESTATED

1993 NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN

ARTICLE I.
PURPOSE AND ADOPTION OF THE PLAN

1.01 PURPOSE. The purpose of the Sun Communities, Inc. Non-Employee Director Stock Option Plan is to attract and retain the services of experienced and knowledgeable independent directors of Sun Communities, Inc. (the "Company") and to provide an additional incentive for such directors to continue to work for the best interests of the Company and its stockholders.

1.02 ADOPTION AND TERM. The Plan was initially approved by the Board as of December 21, 1993 and ratified and approved by the Company's stockholders on May 26, 1994. The Amended and Restated Plan was approved by the Board on May 20, 1996, subject to approval of the Company's stockholders on or before May 20, 1997, and will remain in effect until all shares authorized under the terms of the Plan have been issued, unless earlier terminated or abandoned by action of the Board.

ARTICLE II.
DEFINITIONS

2.01 AVERAGE PRICE means the average of the closing sales prices of the Company Common Stock as quoted on the New York Stock Exchange for the ten (10) business day period immediately preceding and including June 30th of the year for which the Performance Option was earned.

2.02 BENEFICIARY means (a) an individual, trust or estate who or which, by will or by operation of the laws of descent and distribution, succeeds to the rights and obligations of the Non-Employee Director under the Plan and Option Agreement upon the Non-Employee Director's death; or (b) an individual, who by designation of the Non-Employee Director, succeeds to the rights and obligations of the Non-Employee Director under the Plan and Option Agreement upon the Non-Employee Director's death.

2.03 BOARD means the Board of Directors of the Company.

2.04 CODE means the Internal Revenue Code of 1986, as amended. References to a section of the Code shall include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes that section.

2.05 COMPANY means Sun Communities, Inc., a Maryland corporation.

2.06 COMPANY COMMON STOCK means the Common Stock of the Company, par value $0.01.

2.07 DATE OF GRANT means: (a) with respect to Initial Options, the date the Plan is adopted by the Board, or if later, the date an individual first becomes a Director; and (b) with respect to Performance Options, December 31st of the year for which the Performance Option is earned.

2.08 DIRECTOR means a member of the Board of Directors of the Company.

2.09 EXCHANGE ACT means the Securities Exchange Act of 1934, as amended.

2.10 EXPIRATION DATE means the date specified in an Option Agreement as the expiration date of such Award.

2.11 FAIR MARKET VALUE means, on any given date, the average of the highest and lowest selling price for the Company Common Stock as reported on the Composite Tape for New York Stock Exchange Listed Companies, or, if there were no sales on such date, the average of the highest and lowest selling price for the most recent date upon which a sale was reported.

2.12 INITIAL OPTION has the meaning set forth in Section 5.01.

2.13 NON-EMPLOYEE DIRECTOR means a Director who is not an employee of the Company or a Subsidiary.

2.14 NON-QUALIFIED STOCK OPTION means a stock option which is not an Incentive Stock Option as described in Section 422 of the Code.

2.15 OPTION means a Non-Qualified Stock Option granted at any time under the Plan.

2.16 OPTION AGREEMENT means a written agreement between the Company and the optionholder evidencing the grant of an Option and setting forth the terms and conditions of the Option.

2.17 PERFORMANCE OPTION has the meaning set forth in Section 5.01.

2.18 PER SHARE FFO means, with respect to any fiscal year, the Company's funds from operations (as defined by the National Association of Real Estate Investment Trusts) per weighted average number of outstanding shares of Company Common Stock for such fiscal year, as determined by reference to the Company's audited financial statements.

2.19 PLAN means the Amended and Restated Sun Communities, Inc. 1993 Non-Employee Director Stock Option Plan, as described herein and as it may be amended from time to time.

2.20 PURCHASE PRICE, with respect to Options, has the meaning set forth in Section 5.02.

2.21 RULE 16B-3 means Rule 16b-3 promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act, as currently in effect and as it may be amended from time to time, and any successor rule.

2.22 SUBSIDIARY shall have the meaning set forth in Section 424(f) of the Code.

ARTICLE III.
COMPANY COMMON STOCK ISSUABLE PURSUANT TO THE PLAN

3.01 SHARES ISSUABLE. Shares to be issued under the Plan may be

authorized and unissued shares or issued shares which have been reacquired by the Company. Except as provided in Section 3.03, the Options granted under the Plan shall be limited so that all shares which shall be issued upon the exercise of outstanding Options granted under the Plan shall never exceed 100,000 shares of Company Common Stock.

3.02 SHARES SUBJECT TO TERMINATED OPTIONS. In the event that any Option at any time granted under the Plan shall be surrendered to the Company, be terminated or expire before it shall have been fully exercised, then all shares formerly subject to such Option as to which such Option shall not have been exercised shall be available for any Option subsequently granted in accordance with the Plan.

3.03 ADJUSTMENTS TO REFLECT CAPITAL CHANGES.

(a) RECAPITALIZATION. The number and kind of shares subject to outstanding Options, the Purchase Price for such shares, and the number and kind of shares available for Options subsequently granted under the Plan shall be appropriately adjusted to reflect any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other change in capitalization with a similar substantive effect upon the Plan or the Options granted under the Plan. The Board shall have the power to determine the amount of the adjustment to be made in each case.

(b) SALE OR REORGANIZATION. After any reorganization, merger or consolidation in which the Company is a surviving corporation, each Non-Employee Director shall, at no additional cost, be entitled upon exercise of an Option to receive (subject to any required action by stockholders), in lieu of the number of shares of Company Common Stock receivable or exercisable pursuant to such Option, a number and class of shares of stock or other securities to which such Non-Employee Director would have been entitled pursuant to the terms of the reorganization, merger or consolidation if, at the time of such reorganization, merger or consolidation, such Non-Employee Director had been the holder of record of a number of shares of stock equal to the number of shares receivable or exercisable pursuant to such Option. Comparable rights shall accrue to each Non-Employee Director in the event of successive reorganizations, mergers or consolidations of the character described above.

ARTICLE IV.
PARTICIPATION

4.01 ELIGIBLE INDIVIDUALS. All Non-Employee Directors of the Company shall be eligible to receive Options under the Plan.

ARTICLE V.
OPTION AWARDS

5.01 GRANT OF OPTIONS.

(a) INITIAL OPTIONS. Each of the Company's Non-Employee Directors, on the date the Plan is adopted by the Board, shall automatically receive a Non-Qualified Stock Option (the "Initial Option") to purchase 2,500 shares, subject to adjustment in accordance with Section 3.03, of Company Common Stock on the date of adoption. Thereafter, each of the Company's

Non-Employee Directors shall automatically receive the Initial Option, subject to adjustment in accordance with Section 3.03, on the day he or she first becomes a Director. Each Initial Option shall be evidenced by an Option Agreement.

(b) PERFORMANCE OPTIONS. As of December 31st of each fiscal year of the Company, each of the Company's Non-Employee Directors that has continuously served the Company for the entire fiscal year shall automatically receive a Non-Qualified Stock Option (the "Performance Option") to purchase the following number of shares of Company Common Stock, subject to adjustment in accordance with Section 3.03:

(i) if Per Share FFO for such fiscal year increased by less than 5% as compared to Per Share FFO for the previous fiscal year, 0 shares of Company Common Stock;

(ii) if Per Share FFO for such fiscal year increased by 5% or more but less than 6% as compared to Per Share FFO for the previous fiscal year, 1,000 shares of Company Common Stock;

(iii) if Per Share FFO for such fiscal year increased by 6% or more but less than 7% as compared to Per Share FFO for the previous fiscal year, 1,500 shares of Company Common Stock;

(iv) if Per Share FFO for such fiscal year increased by 7% or more but less than 8% as compared to Per Share FFO for the previous fiscal year, 2,000 shares of Company Common Stock;

(v) if Per Share FFO for such fiscal year increased by 8% or more but less than 9% as compared to Per Share FFO for the previous fiscal year, 2,500 shares of Company Common Stock;

(vi) if Per Share FFO for such fiscal year increased by 9% or more but less than 10% as compared to Per Share FFO for the previous fiscal year, 3,000 shares of Company Common Stock; or

(vii) if Per Share FFO for such fiscal year increased by 10% or more as compared to Per Share FFO for the previous fiscal year, 3,500 shares of Company Common Stock.

The Performance Options, if any, shall be granted as soon as possible after issuance of the Company's audited financial statements but shall be effective as of December 31st of the year for which the Performance Option was earned. Each Performance Option shall be evidenced by an Option Agreement.

5.02 PURCHASE PRICE OF OPTIONS. The Purchase Price of each share of Company Common Stock which may be purchased upon exercise of any Initial Option granted under the Plan shall be the Fair Market Value on the Date of Grant. The Purchase Price of each share of Company Common Stock which may be purchased upon exercise of any Performance Option granted under the Plan shall be the Average Price.

5.03 VESTING OF OPTIONS. No Option may be exercised prior to one year from the Date of Grant. An Option shall become exercisable with respect to one-third (1/3) of the shares one year from the Date of Grant, with respect to an additional one-

third (1/3) of the shares two years from the Date of Grant and with respect to the final one-third (1/3) of the shares three years from the Date of Grant.

5.04 DURATION OF OPTIONS. Options granted under the Plan shall terminate after the first to occur of the following events:

(a) Ten years from the Date of Grant.

(b) Three months after the Optionee ceases to be a Director, except in the case of death, as described in (c) below.

(c) In the event of the death of a Non-Employee Director while a Director, the right to exercise all unexpired Options shall be accelerated and shall accrue as of the date of death, and the Non-Employee Director's Options may be exercised by his Beneficiary at any time within one year after the date of the Non-Employee Director's death. In the event of the death of a Non-Employee Director within the ninety day period after he or she ceases to be a Director, the Non-Employee Director's Beneficiary may exercise his or her Options, to the extent exercisable on the date of death, within one year after the date of the Non-Employee Director's death.

5.05 EXERCISE PROCEDURES. Each Option granted under the Plan may be exercised by written notice to the Company which must be received by the Secretary of the Company on or before the Expiration Date of the Option. The Purchase Price of shares purchased upon exercise of an Option granted under the Plan shall be paid in full in cash by the Non-Employee Director on the date of exercise.

5.06 RIGHTS AS A STOCKHOLDER. The Non-Employee Director or any transferee of an Option pursuant to Section 5.04(c) or Section 5.09 shall have no rights as a stockholder with respect to any shares of Company Common Stock covered by an Option until the Non-Employee Director or transferee shall have become the holder of record of any such shares, and no adjustment shall be made for dividends and cash or other property or distributions or other rights with respect to any such shares of Company Common Stock for which the record date is prior to the date on which the Non-Employee Director or a transferee of the Option shall have become the holder of record of any such shares covered by the Option.

5.07 PLAN PROVISIONS CONTROL OPTION TERMS. The terms of the Plan shall govern all Options granted under the Plan. In the event any provision of any Option granted under the Plan shall conflict with any term in the Plan as constituted on the Date of Grant of such Option, the term in the Plan as constituted on the Date of Grant of such Option shall control. Except as provided in Section 3.03, (i) the terms of any Option granted under the Plan may not be changed after the granting of such Option without the express approval of the Non-Employee Director and (ii) no modification may be made to an Option granted under the Plan except in compliance with Rule 16b-3.

5.08 TAXES. The Company shall be entitled, if the Company deems it necessary or desirable, to withhold (or secure payment from the Non-Employee Director 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 any shares issuable upon exercise of an Option, and the Company may defer issuance of the stock upon exercise unless indemnified to its satisfaction against any liability for such tax.

5.09 LIMITATIONS ON TRANSFER. A Non-Employee Director's rights and

interest under the Plan may not be assigned or transferred other than by will or the laws of descent and distribution, or pursuant to the terms of a domestic relations order, as defined in Section 414(p)(1)(B) of the Code, which satisfies the requirements of Section 414(p)(1)(A) of the Code (a "Qualified Domestic Relations Order"). During the lifetime of a Non-Employee Director, only the Non-Employee Director personally (or the Non-Employee Director's personal representative or attorney-in-fact) or the alternate payee named in a Qualified Domestic Relations Order may exercise the Non-Employee Director's rights under the Plan. The Non-Employee Director's Beneficiary may exercise a Non-Employee Director's rights to the extent they are exercisable under the Plan following the death of the Non-Employee Director.

ARTICLE VI.
GENERAL PROVISIONS

6.01 AMENDMENT AND TERMINATION OF PLAN.

(a) AMENDMENT. The Board shall have complete power and authority to amend the Plan at any time as it deems necessary or appropriate and no approval by the stockholders of the Company or by any other person, committee or entity of any kind shall be required to make any amendment; provided, however, that the Board shall not, without the requisite affirmative approval of stockholders of the Company, make any amendment which requires stockholder approval under any applicable law, including Rule 16b-3 or the Code, unless such compliance, if discretionary, is no longer desired. No termination or amendment of the Plan may, without the consent of the Non-Employee Director to whom any Option shall theretofore have been granted under the Plan, adversely affect the right of such individual under such Option. For the purposes of this section, an amendment to the Plan shall be deemed to have the affirmative approval of the stockholders of the Company if such amendment shall have been submitted for a vote by the stockholders at a duly called meeting of such stockholders at which a quorum was present and the majority of votes cast with respect to such amendment at such meeting shall have been cast in favor of such amendment, or if the holders of outstanding stock having not less than a majority of the outstanding shares consent to such amendment in writing in the manner provided under the Company's bylaws.

(b) TERMINATION. The Board shall have the right and the power to terminate the Plan at any time. If the Plan is not earlier terminated, the Plan shall terminate when all shares authorized under the Plan have been issued. No Option shall be granted under the Plan after the termination of the Plan, but the termination of the Plan shall not have any other effect and any Option outstanding at the time of the termination of the Plan may be exercised after termination of the Plan at any time prior to the expiration date of such Option to the same extent such award would have been exercisable if the Plan had not been terminated.

6.02 NO RIGHT TO CONTINUE AS DIRECTOR. Neither the Plan nor any action taken hereunder shall be construed as giving any Non-Employee Director any right to be retained as a Director, or to limit in any way the right of the stockholders of the Company to remove such person as a Director.

6.03 COMPLIANCE WITH RULE 16B-3. It is intended that the Plan be established and operated so as to qualify for the exemption from Section 16 of the Exchange Act available under Rule 16b-3, and so that the Non-Employee Director

receiving Options hereunder will qualify as "disinterested" under Rule 16b-3 for purposes of administering other stock option plans of the Company. If any provision of the Plan would not comply with Rule 16b-3 if applied as written, such provision shall not have effect as written and shall be given effect so as to comply with Rule 16b-3, as determined by the Board. The Board is authorized to amend the Plan and to make any such modifications to Option Agreements to comply with Rule 16b-3, as it may be amended from time to time, and to make any other such amendments or modifications as it deems necessary or appropriate to better accomplish the purposes of the Plan in light of any amendments made to Rule 16b-3.

6.04 SECURITIES LAW RESTRICTIONS. The shares of Company Common Stock issuable pursuant to the terms of any Options granted under the Plan may not be issued by the Company without registration or qualification of such shares under the Securities Act of 1933, as amended, or under various state securities laws or without an exemption from such registration requirements. Unless the shares to be issued under the Plan have been registered and/or qualified as appropriate, the Company shall be under no obligation to issue shares of Company Common Stock upon exercise of an Option unless and until such time as there is an appropriate exemption available from the registration or qualification requirements of federal or state law as determined by the Company in its sole discretion. The Company may require any person who is granted an award hereunder to agree with the Company to represent and agree in writing that if such shares are issuable under an exemption from registration requirements, the shares will be "restricted" securities which may be resold only in compliance with applicable securities laws, and that such person is acquiring the shares issued upon exercise of the Option for investment, and not with the view toward distribution.

6.05 CAPTIONS. The captions (i.e., all section headings) used in the Plan are for convenience only, do not constitute a part of the Plan, and shall not be deemed to limit, characterize or affect in any way any provisions of the Plan, and all provisions of the Plan shall be construed as if no captions have been used in the Plan.

6.06 SEVERABILITY. Whenever possible, each provision in the Plan and every Option at any time granted under the Plan shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of the Plan or any Option at any time granted under the Plan shall be held to be prohibited or invalid under applicable law, then (a) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law and (b) all other provisions of the Plan and every other Option at any time granted under the Plan shall remain in full force and effect.

6.07 CHOICE OF LAW. All determinations made and actions taken pursuant to the Plan shall be governed by the laws of Michigan and construed in accordance therewith.

EXHIBIT 10.6

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of October 28, 1996, but effective as of January 1, 1997, by and between SUN COMMUNITIES, INC., a Maryland corporation (the "Company"), and GARY A. SHIFFMAN (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company desires to continue the employment of the Executive, 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, 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 of employment hereunder, the Executive shall serve as Chief Executive Officer and President of the Company, and shall do and perform diligently all such services, acts and things as are customarily done and performed by such officers of companies in similar business and in size to the Company, together with such other duties as may reasonably be requested from time to time by the Board of Directors of the Company (the "Board"), which duties shall be consistent with the Executive's positions 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 Company, as they may be amended from time to time.

2. Term of Employment.

Subject to the provisions for termination provided below, the term of the Executive's employment under this Agreement shall commence on January 1, 1997 and shall continue thereafter for a period of five (5) years ending on December 31, 2001; provided, however, that the term of this Agreement shall be automatically extended for successive terms of one (1) year each, unless either party notifies the other party in writing of its desire to terminate this Agreement at least thirty (30) days before the end of the term then in effect.

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 during the term of this Agreement; provided, however, the Executive's expenditure of reasonable amounts of time to various charitable and other community activities, or to 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 Executive's duties under this Agreement.

4. Compensation.

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

(b) Base Compensation. As compensation for the services to be performed hereafter, the Company shall pay to the Executive, during his employment hereunder, an annual base salary (the "Base Salary") payable in accordance with the Company's usual pay practices (and in any event no less frequently than monthly) at the rate of:

(i) Two Hundred Fifty Thousand Dollars ($250,000.00) for the first year of this Agreement; and

(ii) Three Hundred Fifty Thousand Dollars ($350,000.00) for each year thereafter.

(c) COLA Adjustment. At the beginning of each calendar year of this Agreement, commencing with calendar year 1999, and on such date each year thereafter (the "Adjustment Date"), the Base Salary shall be increased in accordance with the increase, if any, in the cost of living during the preceding one year as determined by the percentage increase in the Consumers Price Index-All Urban Consumers (U.S. City Average/all items) published by the Bureau of Labor Statistics of the U.S. Department of Labor (the "Index"). The average Index for calendar years 1997 and 1998 shall be considered the "Base." The Base Salary for the calendar year following each Adjustment Date shall be the Base Salary specified in Paragraph 4(b) increased by the percentage increase, if any, in the Index for the calendar year immediately preceding the Adjustment Date over the Base. In the event the Index shall cease to be published or the formula underlying the Index shall change materially from the formula used for the Index as of the date hereof, then there shall be substituted for the Index such other index of similar nature as is then generally recognized and accepted. In no event shall the Base Salary during each adjusted calendar year be less than that charged during the preceding year of this Agreement.

(d) Cash Signing Bonus. Upon the execution of this Agreement, the Company shall pay the Executive the sum of Fifty Thousand Dollars ($50,000.00).

(e) Incentive Compensation. The Company shall pay to the Executive incentive compensation ("Incentive Compensation") for each calendar year that the Executive is employed under this Agreement ("Bonus Year"), not later than February 28 following the end of such Bonus Year or the termination of the employment, as the case may be, prorated on a per diem basis for partial Bonus Years, determined and calculated as follows:

If the Company's Funds from Operations (as defined below) per share of the Company's common stock, $.01 par value ("Common Stock"), for the Bonus Year increased by more than five percent (5%) over the Company's Funds from Operations per share of Common Stock for the previous calendar year, then the Executive shall be entitled to Incentive Compensation equal to twenty-five percent

(25%) of the Base Salary for the Bonus Year in which the increase occurred. If the Company's Funds from Operations per share of Common Stock for the Bonus Year increased by more than eight and one half percent (8.5%) over the Company's Funds from Operations per share of Common Stock for the previous calendar year, then the Executive shall be entitled, in lieu of the Incentive Compensation described in the immediately preceding sentence, to Incentive Compensation equal to fifty percent (50%) of the Base Salary for the Bonus Year in which the increase occurred. For purposes hereof, "Funds from Operations" shall have the meaning ascribed to such term by the National Association of Real Estate Investment Trusts ("NAREIT") and Funds from Operations shall be calculated in accordance with NAREIT's definition of such term.

Such Incentive Compensation shall be paid half in cash and half in shares of Common Stock (the "Stock Bonus Portion"). The number of shares of Common Stock to be issued to the Executive as his Stock Bonus Portion shall be equal to a fraction, the numerator of which is the dollar amount of the Stock Bonus Portion, and the denominator of which is the "Stock Fair Market Value" (as defined below); provided, however, that no partial shares of Common Stock shall be issued and the Executive shall receive cash in an amount equal to the Stock Fair Market Value of any such partial shares that would have otherwise been issued as the Stock Bonus Portion. For purposes of this Agreement, (i) "Stock Fair Market Value" shall be equal to the average of the last reported sales prices for the five (5) consecutive Trading Days (as defined below) commencing ten (10) Trading Days prior to February 15th in the year after the applicable Bonus Year; and (ii) "Trading Days" shall mean each day that securities are sold on a national securities exchange or in the over-the-counter market or, in case no such reported sale takes place on any such day, the average of the closing bid and asked price, in either case as reported on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or, if the Common Stock is not listed or admitted to trading on any national securities exchange, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers Automated Quotation System or such other system then in use.

The determination of the Incentive Compensation shall be made no later than February 15 of each calendar year of this Agreement by the independent public accountants regularly retained by the Company, who shall provide a copy of their calculations to both the Executive and the Company. The Executive shall have the right to dispute any such calculation, which dispute shall be submitted to arbitration as provided in this Agreement if the Company and the Executive are unable to resolve the dispute within thirty (30) days after written notice of the dispute is delivered by the Executive to the Company. Notwithstanding a dispute of the calculation of the Incentive Compensation, the Company shall pay the Executive the Incentive Compensation in accordance with the terms of this Agreement and the Executive's receipt of such Incentive Compensation shall not be deemed a waiver of his right to dispute the calculation of the Incentive Compensation.

(f) Stock Options. As of the date hereof, the Company granted the Executive the option (the "Option") to purchase 250,000 shares of Common Stock (the "Option Shares") at $28.6375 per share in accordance with the terms and conditions of the Company's Amended and Restated 1993 Stock Option Plan (the "Option Plan"). The Option Shares shall vest and become fully exercisable by the Executive in accordance with the following schedule:

Vesting Date	Vested Option Shares
October 28, 1996	50,000
October 28, 1997	50,000
October 28, 1998	50,000
October 28, 1999	50,000
October 28, 2000	50,000

(g) 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 continue to receive his full Base Salary, Incentive Compensation and other benefits at the rate in effect for such period until his employment is terminated by the Company pursuant to paragraph 7(a)(iii) hereof; provided, however, that payments so made to the Executive during the Disability Period shall be reduced by the sum of the amounts, if any, which were paid to the Executive at or prior to the time of any such payment under disability benefit plans of the Company.

5. Benefits.

(a) Insurance. The Company shall provide to the Executive life, medical and hospitalization insurance for himself, his spouse and eligible family members as may be determined by the Board to be consistent with the Company's standard policies.

(b) Benefit Plans. The Executive, at his election, may participate, during his employment hereunder, in all retirement plans, 401(K) plans and other benefit 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). The Executive shall 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. 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.

(c) Annual Vacation. The Executive shall be entitled to the following vacation time, without loss of compensation: (i) four (4) weeks vacation time for the first year of this Agreement; (ii) five (5) weeks vacation time for the second year of this Agreement; and (iii) six (6) weeks vacation for the third year of this Agreement and every year thereafter. The Executive shall not take more than fourteen (14) consecutive calendar days of vacation without the prior approval of the Company's Board of Directors. In the event that the Executive is unable for any reason to take the total amount of vacation time authorized herein during any year, he may accrue such unused time and add it to the vacation time for any following year; provided, however, that no more than ten (10) business days of accrued vacation time may be carried over at any time (the "Carry-Over Limit"). In the event that the Executive has accrued and unused vacation time in excess of the Carry-Over Limit (the "Excess Vacation Time"), the Excess Vacation Time shall be paid to the Executive within ten (10) days of the end of the year in which the Excess Vacation Time was

earned based on the Base Salary then in effect. Upon any termination of this Agreement for any reason whatsoever, accrued and unused vacation time (not to exceed thirty (30) business days) shall be paid to the Executive within ten (10) days of such termination based on the Base Salary in effect on the date of such termination. For purposes of this Agreement, one-twelfth (1/12) of the applicable annual vacation time shall accrue on the last day of each calendar month that the Executive is employed under this Agreement.

6. Reimbursement of Business Expenses.

The Company shall reimburse the Executive or provide him with an expense allowance during the term of this Agreement for travel, entertainment and other expenses reasonably and necessarily incurred by the Executive in connection with the Company's business. The Executive shall furnish such documentation with respect to reimbursement to be paid hereunder as the Company shall reasonably request.

7. Termination of Employment.

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

(i) by either the Executive or the Company at any time for any reason whatsoever or for no reason upon not less than sixty (60) days written notice;

(ii) by the Company at any time for "cause" as defined below, without prior notice;

(iii) by the Company upon the Executive's "permanent disability" (as defined below) upon not less than thirty (30) days written notice; and

(iv) upon the Executive's death.

(b) For purposes hereof, for "cause" shall mean the material breach of any provision of this Agreement by the Executive which breach, if curable, continues uncured for a period of twenty (20) days after the Executive's receipt of written notice of such breach from the Company, or any action of the Executive (or the Executive's failure to act), which, in the reasonable determination of the Board, involves malfeasance, fraud, or moral turpitude, or which, if generally known, would or might have a material adverse effect on the Company and/or its reputation.

(c) For purposes hereof, the Executive's "permanent disability" shall be deemed to have occurred after one hundred twenty (120) consecutive days during which the Executive, by reason of his physical or mental disability or illness, shall have been unable to discharge his duties under this Agreement. The date of permanent disability shall be such one hundred twenty-first (121st) day. In the event either the Company or the Executive, after receipt of notice of the Executive's permanent disability from the other, disputes that the Executive's permanent disability shall have occurred, the Executive shall promptly submit to a physical examination by the chief of medicine of any major accredited hospital in Michigan and, unless such physician shall issue his written statement to the effect that in his opinion, based on his diagnosis, the Executive is capable

of resuming his employment and devoting his full time and energy to discharging his duties within thirty (30) days after the date of such statement, such permanent disability shall be deemed to have occurred.

8. Compensation Upon Termination or Disability.

(a) In the event that the Company terminates the Executive's employment under this Agreement without "cause" pursuant to paragraph 7(a)(i) hereof, the Executive shall be entitled to any unpaid Base Salary and benefits accrued and earned by him hereunder up to and including the effective date of such termination, which shall be paid by the Company to the Executive within thirty (30) days of the effective date of such termination, and the Company shall pay the Executive monthly an amount equal to one-twelfth (1/12) of the Base Salary that would otherwise be payable under this Agreement for a period of up to eighteen (18) months if the Executive fully complies with paragraph 12 of this Agreement (the "Severance Payment"). Notwithstanding the foregoing, the Company, in its sole discretion, may elect to make the Severance Payment to the Executive in one lump sum due within thirty (30) days of the Executive's termination of employment. In the event that the Company terminates the Executive's employment under this Agreement without "cause" pursuant to paragraph 7(a)(i) hereof, the Executive, in his sole and absolute discretion, may decline the Severance Payment by written notice to the Company prior to the payment of any portion of the Severance Payment, in which event the Company shall have no obligation to make the Severance Payment and Executive shall be relieved of the restrictions imposed by subparagraphs (ii), (v) and (vi) of paragraph 12(a) of this Agreement. Notwithstanding anything in this Agreement to the contrary, in the event that the Executive declines the Severance Payment in accordance with this paragraph 8(a), subparagraphs (ii), (v) and (vi) of paragraph 12(a) of this Agreement shall become null and void and of no further force and effect.

(b) In the event of termination of the Executive's employment under this Agreement for "cause" or if the Executive voluntarily terminates his employment hereunder, the Executive shall be entitled to no further compensation or other benefits under this Agreement, except only as to any unpaid Base Salary, Incentive Compensation and benefits accrued and earned by him hereunder up to and including 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, the Executive (or his successors and assigns in the event of his death) shall be entitled to any unpaid Base Salary and benefits accrued and earned by him hereunder up to and including the effective date of such termination, which 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, and the Company shall pay the Executive monthly an amount equal to one-twelfth (1/12) of the Base Salary that would otherwise be payable under this Agreement for a period of up to twenty four (24) months if the Executive fully complies with paragraph 12 of this Agreement (the "Disability Payment"); provided, however, that payments so made to the Executive shall be reduced by the sum of the amounts, if any, which: (i) were paid to the Executive at or prior to the time of any such payment under disability benefit plans of the Company, and (ii) did not previously reduce the Base Salary, Incentive Compensation and other benefits due the Executive under paragraph 4(g) of this Agreement. Notwithstanding the foregoing, the Company, in its sole discretion, may elect to make the Disability Payment to the

Executive in one lump sum due within thirty (30) days of the Executive's termination of employment. In the event of termination of the Executive's employment under this Agreement due to the Executive's permanent disability, the Executive, in his sole and absolute discretion, may decline the Disability Payment by written notice to the Company prior to the payment of any portion of the Disability Payment, in which event the Company shall have no obligation to make the Disability Payment and Executive shall be relieved of the restrictions imposed by subparagraphs (ii), (v) and (vi) of paragraph 12(a) of this Agreement. Notwithstanding anything in this Agreement to the contrary, in the event that the Executive declines the Disability Payment in accordance with this paragraph 8(c), subparagraphs (ii), (v) and (vi) of paragraph 12(a) of this Agreement shall become null and void and of no further force and effect.

(d) Regardless of the reason for termination of the Executive's employment hereunder, Incentive Compensation and benefits shall be prorated and paid for any period of employment not covering an entire year of employment.

(e) Notwithstanding anything to the contrary in this paragraph 8, the Company's obligation to pay, and the Executive's right to receive, any compensation under this paragraph 8, including, without limitation, the Severance Payment and the Disability Payment, shall terminate upon the Executive's breach of any provision of paragraph 12 hereof. In addition, the Executive shall promptly forfeit any compensation received from the Company under this paragraph 8, including, without limitation, the Severance Payment and the Disability Payment, upon the Executive's breach of any provision of paragraph 12 hereof.

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 held by the Executive in the Company and/or any of the Affiliates (as defined below).

10. Effect of Change in Control.

(a) 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 has occurred: (i) the Executive's employment under this Agreement is terminated in accordance with paragraph 7(a)(i), (ii) upon a Change in Control under paragraph 10(e)(ii), the Company or its successor does not expressly assume all of the terms and conditions of this Agreement, or (iii) there are less than thirty (30) months remaining under the term of this Agreement (without regard to the last clause of paragraph 2 hereof).

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

(i) A cash payment equal to two and 99/100 (2.99) times the Base Salary in effect on the date of such Change in Control, payable within sixty (60) days of the Change in Control; and

(ii) Continued receipt of all compensation and benefits set forth in paragraphs 5(a) and 5(b) of this Agreement, until the earlier of (i) one year following the Change in

Control (subject to the Executive's COBRA rights) or (ii) 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 paragraph 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 paragraph 10(b)(ii).

(c) Notwithstanding anything to the contrary herein, (i) in the event that the Executive's employment under this Agreement is terminated in accordance with paragraph 7(a)(i) within sixty (60) days prior to a Change in Control, such termination shall be deemed to have been made in connection with the Change in Control and the Executive shall be entitled to the Change in Control Benefits; and (ii) in the event that the Executive's employment under this Agreement is terminated by the Company or its successor in accordance with paragraph 7(a)(i) after a Change in Control and the Executive was not already entitled to the Change in Control Benefits under paragraph 10(a)(iii), the Company or its successor shall pay the Executive an amount equal to the difference between the Change in Control Benefits and the amounts actually paid to the Executive under this Agreement after the Change in Control but prior to his termination.

(d) The Change in Control Benefits are in addition to any and all other Company benefits to which the Executive may be entitled, including, without limitation, Base Salary, Incentive Compensation, Severance Payment, Disability Payment and the exercise or surrender of stock options as a result of the Change in Control.

(e) For purposes of this Agreement, a "Change in Control" shall be deemed to have occurred:

(i) if any person or group of persons acting together (other than (a) the Company or any person who on December 1, 1996 was (I) a director or officer of the Company, or (II) whose shares of Common Stock of the Company 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 Company representing ten percent (10%) or more of either the then-outstanding Common Stock of the Company or the combined voting power of the Company's then-outstanding voting securities;

(ii) if the Directors or Shareholders of the Company approve an agreement to merge into or consolidate with, or to sell 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); or

(iii) if the new Directors appointed to the Board of Directors during any twelve-month period constitute a majority of the Board of Directors, unless (i) the directors who were in office for at least twelve (12) months prior to such twelve-month period (the "Incumbent Directors") plus (ii) the new Directors who were recommended or appointed by

a majority of the Incumbent Directors constitutes a majority of the Board of Directors.

For purposes of this paragraph 10(e), a "person" includes an individual, a partnership, a corporation, an association, an unincorporated organization, a trust or any other entity.

11. Stock Options. In the event of termination of the Executive's employment under this Agreement for "cause", 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 Option Plan. In the event that the Company terminates the Executive's employment under this Agreement without "cause" 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; provided, however, in the event the Executive elects to receive the Severance Payment or the Disability Payment, as applicable, such options and other stock based compensation cannot be exercised until the expiration of the eighteen month periods referenced in paragraph 12 hereof and such stock options or other stock based compensation shall be automatically forfeited upon the Executive's breach of any of the provisions of paragraph 12 hereof. Any Stock Option Agreements between the Company and the Executive shall be amended to conform to the provisions of this paragraph 11.

12. Covenant Not To Compete and Confidentiality.

(a) The Executive acknowledges the Company's reliance and expectation of the Executive's continued commitment to performance of his duties and responsibilities during the term of this Agreement. In light of such reliance and expectation on the part of the Company, Executive agrees that:

(i) for a period commencing on the date of this Agreement and ending upon the expiration of Executive's employment under this Agreement, Executive shall not, 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 or otherwise) any corporation, firm or enterprise which is engaged in (A) the real estate business (the "Real Estate Business"), including, but not limited to, the development, ownership, leasing, sales, management or financing of single family or multi-family housing, condominiums, townhome communities or other form of housing, or (B) any business which is competitive with the business then or at any time during the term of this Agreement conducted or proposed to be conducted by the Company, or any corporation owned or controlled by the Company or under common control with the Company ("Affiliate"), anywhere within the continental United States or Canada; provided, however, that the Executive shall be permitted to make passive investments in the Real Estate Business;

(ii) subject to paragraphs 8(a) and 8(c) of this Agreement, for a period of eighteen (18) months commencing upon the termination for any reason of the Executive's employment under this Agreement, the Executive shall not, 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 or otherwise) any corporation, firm or enterprise which is engaged in any aspect of the manufactured housing community business or any other business which is competitive with the business then or at any time during the term of this Agreement conducted or proposed to be conducted by the Company or any Affiliate (the "Company Business"), anywhere

within the continental United States or Canada; except that the Executive may invest in any publicly held entity engaged in the Company Business, if his investment in such entity does not exceed one percent (1%) in value of the issued and outstanding equity securities of such entity;

(iii) the Executive will not at any time, for so long as any Confidential Information (as defined below) shall remain confidential or otherwise remain wholly or partially protectable, either during the term of this Agreement or thereafter, use or disclose, directly or indirectly to any person outside of the Company or any Affiliate any Confidential Information;

(iv) promptly upon the termination of this Agreement for any reason, the Executive (or in the event of the Executive's death, his personal representative) shall return to the Company any and all copies (whether prepared by or at the direction of the Company or Executive) of all records, drawings, materials, memoranda and other data constituting or pertaining to Confidential Information;

(v) subject to paragraphs 8(a) and 8(c) of this Agreement, for a period of eighteen (18) months commencing upon the termination for any reason of the Executive's employment under this Agreement, the Executive shall not, either directly or indirectly, take any action 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; and

(vi) subject to paragraphs 8(a) and 8(c) of this Agreement, for a period of eighteen (18) months commencing upon the termination for any reason of the Executive's employment under this Agreement, the Executive shall not, either directly or indirectly, solicit for employment any person with whom the Executive was acquainted while in the Company's employ.

As used in this Agreement, the term "Confidential Information" shall mean all business information of any nature and in any form which at the time or times concerned is not generally known to those persons engaged in business similar to that conducted or contemplated by the Company or any Affiliate (other than by the act or acts of an employee not authorized by the Company to disclose such information) and which relates to any one or more of the aspects of the present or past business of the Company or any of the Affiliates or any of their respective predecessors, including, without limitation, patents and patent applications, inventions and improvements (whether or not patentable), development projects, policies, processes, formulas, techniques, know-how, and other facts relating to sales, advertising, promotions, financial matters, customers, customer lists, customer purchases or requirements, and other trade secrets.

(b) The Executive agrees and understands that the remedy at law for any breach by him of this paragraph 12 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 this paragraph 12, the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach. Nothing in this paragraph 12 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 this paragraph 12 which may be pursued or availed of by the Company.

13. Arbitration. Any dispute or controversy arising out of or relating to this Agreement shall be settled finally and exclusively by arbitration in the State of Michigan in accordance with the expedited procedures of the Commercial Arbitration Rules of the American Arbitration Association then in effect. Such arbitration shall be conducted by an arbitrator(s) appointed by the American Arbitration Association in accordance with its rules and any finding by such arbitrator(s) shall be final and binding upon the parties. Judgment upon any award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof, and the parties consent to the jurisdiction of the courts of the State of Michigan for this purpose. Nothing contained in this paragraph 13 shall be construed to preclude the Company from obtaining injunctive or other equitable relief to secure specific performance or to otherwise prevent a breach or contemplated breach of this Agreement by the Executive as provided in paragraph 12 hereof.

14. Notice. Any notice, request, consent or other communication given or made hereunder shall be given or made only in writing and (a) delivered personally to the party to whom it is directed; (b) sent by first class mail or overnight express mail, postage and charges prepaid, addressed to the party to whom it is directed; or (c) telecopied to the party to whom it is directed, at the following addresses or at such other addresses as the parties may hereafter indicate by written notice as provided herein:

If to the Company:

Sun Communities. Inc.
31700 Middlebelt Road, Suite 145
Farmington Hills, Michigan 48334
Fax: (810) 932-3072
Attn: Board of Directors

With a copy to:

Jaffe, Raitt, Heuer & Weiss,
Professional Corporation
One Woodward Avenue, Suite 2400
Detroit, Michigan 48226
Fax: (313) 961-8358
Attn: Arthur A. Weiss

If to the Executive:

Gary A. Shiffman
6212 Bromley Court
West Bloomfield, Michigan 48322

With a copy to:

Douglas J. Golden, P.C.
255 E. Brown Street
Suite 110
Birmingham, Michigan 48009
Fax: (810) 433-1014
Attn: Douglas J. Golden

Any such notice, request, consent or other communication given or made: (i) in the manner indicated in clause (a) of this paragraph shall be deemed to be given or made on the date on which it was delivered; (ii) in the manner indicated in clause (b) of this paragraph shall be deemed to be given or made on the third business day after the day in which it was deposited in a regularly maintained receptacle for the deposit of the United States mail, or in the case of overnight express mail, on the business day immediately following the day on which it was deposited in the regularly maintained receptacle for the deposit of overnight express mail; and (iii) in the manner indicated in clause (c) of this paragraph shall be deemed to be given or made when received by the telecopier owned or operated by the recipient thereof.

15. 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) The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding on, the Company and its successors and assigns, and the rights and obligations (other than obligations to perform services) of the Executive under this Agreement shall inure to the benefit of, and shall be binding upon, the Executive and his heirs, personal representatives and assigns. This Agreement is personal to Executive and he may not assign his obligations under this Agreement in any manner whatsoever.

(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) This Agreement supersedes all agreements and understandings between the parties and may not be modified or terminated orally. No modification, termination or waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(e) This Agreement shall be governed by and construed according to the laws of the State of Michigan.

(f) Captions and paragraph headings used herein are for convenience and are not a part of this Agreement and shall not be used in construing it.

(g) 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.

(h) 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.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the date first written above.

COMPANY:

SUN COMMUNITIES, INC.,
a Maryland corporation

By: /s/ Jeffrey P. Jorissen

Jeffrey P. Jorissen, Senior Vice President and Chief Financial Officer

EXECUTIVE:

/s/ Gary A. Shiffman

GARY A. SHIFFMAN

EXHIBIT 10.12

PROPERTY MANAGEMENT AND LEASING TERMINATION AGREEMENT

This Property Management and Leasing Termination Agreement (the "Agreement") is made as of December 31, 1996 by and between SUN COMMUNITIES FINANCE LIMITED PARTNERSHIP, a Michigan limited partnership ("Owner"), and SUN MANAGEMENT, INC., a Michigan corporation ("Agent").

RECITALS:

A. Owner and Agent entered into a Property Management and Leasing Agreement, dated as of November 30, 1993 and amended as of January 1, 1994 (collectively, the "Management Agreement"), pursuant to which Owner engaged Agent to perform property management work for its properties.

B. Owner is no longer subject to requirements in loan documents that require Owner to have Agent manage its properties and Owner wishes to have another entity manage its properties.

C. Owner and Agent desire to terminate the Management Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that the Management Agreement is terminated as of the date of this Agreement, and both parties shall be released from all further obligations under the Management Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

"OWNER"

SUN COMMUNITIES FINANCE LIMITED PARTNERSHIP, a Michigan limited partnership

By: Sun QRS, Inc., a Michigan corporation, General Partner

By: /s/ Jeffrey P. Jorissen

Jeffrey P. Jorissen,
Chief Financial
Officer and Secretary

"AGENT"

SUN MANAGEMENT, INC., a Michigan corporation

By: /s/ Jeffrey P. Jorissen

Jeffrey P. Jorissen,
Chief Financial
Officer and Secretary

EXHIBIT 10.27

PREFERRED OP UNITS

REGISTRATION RIGHTS AND LOCK-UP AGREEMENT

This Registration Rights and Lock-Up Agreement (the "Agreement") is entered into as of April 30, 1996 among Sun Communities, Inc., a Maryland corporation (the "Company") and the parties set forth in the signature pages hereto (severally a "New Investor" and jointly the "New Investors").

RECITALS

I. Sun Communities Operating Limited Partnership, a Michigan limited partnership (the "Partnership"), Sun GP L.L.C., a Michigan limited liability company ("SGP"), the entities listed on the attached Annex A (the "Project Partnerships"), and the New Investors have entered into certain Contribution Agreements pursuant to which the Company has agreed to issue certain preferred limited partnership interests in the Partnership ("Preferred OP Units") to the New Investors.

II. The Second Amended and Restated Limited Partnership Agreement dated April 30, 1996 of the Partnership (the "Partnership Agreement") provides that the Preferred OP Units may be converted, in whole or in part, into certain limited partnership interests in the Partnership known as "Common OP Units" (the "Common OP Units") after April 30, 2002 (the "Conversion Date").

III. The Partnership Agreement further provides that the Company, in its capacity as general partner of the Partnership, will, subject to certain limitations, exchange one share of the Company's common stock ("Common Stock") for one (1) Common OP Unit.

IV. The Company, Lehman Brothers, Inc., and certain other holders of Common Stock and Common OP Units (the "Original Investors") previously entered into a Registration Rights and Lock-Up Agreement dated as of December 15, 1993 (the "Original Registration Rights Agreement") pursuant to which the Company granted certain rights to the Original Investors.

V. The Company and certain holders of Common OP Units have entered into a Registration Rights and Lock-Up Agreement dated as of April 30, 1996 (the "Common OP Units Registration Rights Agreement") pursuant to which the Company granted certain rights to such holders (the "Common OP Units Holders").

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS. The following capitalized terms shall have the following definitions:

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly, controls, is controlled by or under common control with such Person.

"Existing Investors" means the Common OP Units Holders, and the Original Investors.

"Person" means an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof.

"Registrable Securities" means (i) the Common Stock issued or issuable upon exchange of the Common OP Units, (ii) the Common Stock issued or issuable upon exchange of Common OP Units issued or issuable upon the conversion of the Preferred OP Units, (iii) the Common Stock issued or issuable upon exercise of stock options, (iv) the Common Stock issued prior to or contemporaneously with the Company's initial public offering of Common Stock, and (v) any Common Stock issued or issuable with respect to the Common Stock referred to in clauses (i) through (iv), inclusive, above by way of stock dividend, stock split or in connection with a combination of stock, recapitalization, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities will cease to be Registrable Securities when they have been sold to the public pursuant to an offering registered under the Securities Act or sold to the public in compliance with Rule 144 under the Securities Act (or any similar rule then in force). For purposes of this Agreement, (i) Registrable Securities shall include those Registrable Securities held by Existing Investors, New Investors, and their respective successors and assigns, and (ii) a Person will be deemed to be a holder of Registrable Securities whenever such Person has the right to acquire directly or indirectly such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected.

"Registration Rights Agreements" means this Agreement, the Common OP Units Registration Rights Agreement, and the Original Registration Rights Agreement.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal law then in force.

"Water Oak" means Water Oak Ltd., a Florida limited partnership.

"Water Oak Registration" means the registration rights granted to Water Oak pursuant to Section 1 (b) of the Original Registration Rights Agreement.

2. DEMAND REGISTRATIONS.

(a) From April 30, 2002 until May 1, 2009, subject to the terms and conditions set forth herein, each of the New Investors may request registration under the Securities Act of all or part of his Registrable Securities (each, a "Demand Registration"). Any request (a "Registration Request") for a Demand Registration shall specify (i) the number of Registrable Securities requested to be registered (but not less than 20,000 shares of Common Stock), and (ii) whether or not such Demand Registration should be filed pursuant to Rule 415 of Regulation C promulgated under the Securities Act (or any successor rule) (a "Shelf Registration"); provided, however, that the Company may elect, at its option, to file for a Shelf Registration. Within ten days after the date of sending of such request, the Company will give written notice of such requested registration to all other holders of Registrable Securities, if any, and will include in such registration all Registrable Securities with respect

to which the Company has received written requests for inclusion therein within 15 days after the date of sending of the Company's notice.

(b) The holders of Registrable Securities will be entitled to request six (6) Demand Registrations, each of which may be an underwritten registration or a Shelf Registration to remain effective for up to six months; provided, however, that none of the New Investors shall be entitled to request an additional Demand Registration as long as the Company maintains an effective Shelf Registration covering all Registrable Securities held by the New Investors or their respective transferees until May 1, 2009 and otherwise complies with the terms of this Agreement. Demand Registrations requested under the Original Registration Rights Agreement and the Common OP Units Registration Rights Agreement on or after April 30, 2002 shall be included in the definition of Demand Registrations for purposes of determining the number of Demand Registrations permitted under this Section 2(b) as long as any of the New Investors has the right to include his Registrable Securities in such registrations.

(c) The Company will pay all "Registration Expenses" (as defined in Section 8 of this Agreement) in connection with the Demand Registrations.

(d) A registration will not count as one of the Demand Registrations unless the holders of Registrable Securities are able to register and in fact sell at least 75% of the Registrable Securities requested to be included in such registration.

(e) Until May 1, 2009 the Company will not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the holders of a majority of the shares of Registrable Securities included in such registration. If a Demand Registration or a Water Oak Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering, exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to Water Oak or the holders of a majority of the Registrable Securities initially requesting registration, as the case may be, the Company will (i) in the case of a Demand Registration, include in such registration prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested to be included which in the opinion of such underwriters can be sold in an orderly manner within the price range of such offering, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder and (ii) in the case of a Water Oak Registration, the Company will include in such registration first, the number of Water Oak Shares requested to be included and second, the number of Registrable Securities which in the written opinion of such underwriters can be sold in an orderly manner within the price range of such offering, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder.

(f) In the case of an underwritten offering, the holders of a majority of the then outstanding shares of Registrable Securities or, in the case of a Water Oak Registration, Water Oak, will have the right to select the investment banker(s) and manager(s) to administer the offering, subject to the Company's approval which will not be unreasonably withheld.

3. ADDITIONAL SHELF REGISTRATIONS.

(a) In addition to his rights set forth in Section 2, each of the New Investors may request in writing that the Company register all or part of his Registrable Securities pursuant to an additional Shelf Registration (an "Additional Shelf Registration") at any time from April 30, 2002, (the "Shelf Request Date") through May 1, 2009, provided that the Company shall not be required to effect more than one Additional Shelf Registration in any calendar year pursuant to the Registration Rights Agreements. Any request for an Additional Shelf Registration shall specify the number of Registrable Securities to be registered (but not less than the lesser of 10,000 shares of Common Stock or all of such requesting New Investor's Registrable Securities). Within ten days after the sending of such request, the Company will give written notice of such requested Additional Shelf Registration to all other holders of Registrable Securities, if any, and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the date of sending of the Company's notice.

(b) Additional Shelf Registrations shall not count as Demand Registrations; provided, however, that no New Investor shall be entitled to request an Additional Shelf Registration as long as the Company maintains an effective Shelf Registration covering all Registrable Securities held by such New Investor or his transferees until May 1, 2009 and otherwise complies with the terms of this Agreement.

(c) The Company will pay all Registration Expenses in connection with the Additional Shelf Registrations.

4. ADDITIONAL SHELF REGISTRATIONS AT NEW INVESTOR'S COST.

(a) In addition to his rights set forth in Sections 2 and 3, each of the New Investors may request in writing that the Company register all or part of his Registrable Securities pursuant to an additional Shelf Registration (an "Investor-Paid Shelf Registration") at any time after the fifth anniversary of the Shelf Request Date, provided that the Company shall not be required to effect more than one Investor-Paid Shelf Registration in any calendar year pursuant to this Agreement. Any request for an Investor-Paid Shelf Registration shall specify the number of Registrable Securities to be registered (but not less than the lesser of 100,000 shares of Common Stock or all of the New Investor's Registrable Securities).

(b) Investor-Paid Shelf Registrations shall not count as Demand Registrations; provided, however, that none of the New Investors shall be entitled to request an Investor-Paid Shelf Registration during any calendar year as long as the Company maintains an effective Shelf Registration covering all Registrable Securities held by any of the New Investors or their respective transferees until the end of such calendar year.

(c) Each of the New Investors and any transferees of the New Investors participating in the Investor-Paid Shelf Registration will pay all Registration Expenses in connection with such Investor-Paid Shelf Registration in proportion to the amount of Registrable Securities held by each New Investor or transferee of a New Investor participating in the Investor-Paid Shelf Registration.

(d) Notwithstanding anything to the contrary, the Company shall not be required to register any Registrable Securities pursuant to an Investor-Paid Shelf Registration if the Company delivers an opinion letter from its counsel stating that all of the Registrable Securities requested to be registered may immediately be sold to the public in compliance with Rule 144 under the Securities Act (or any similar rule then in force) without regard to the limitation on the amount of securities sold contained in Rule 144(e) (or any similar rule the in force).

5. PIGGYBACK REGISTRATIONS.

(a) From April 30, 2002 and until May 1, 2009, if the Company proposes to register any of its securities under the Securities Act (other than pursuant to (i) a Demand Registration or an Additional Shelf Registration pursuant to the Registration Rights Agreements, (ii) a registration on Form S-4 or any successor form, (iii) an offering of securities in connection with an employee benefit, stock dividend, stock ownership or dividend reinvestment plan), and the registration form to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company will give prompt written notice to all holders of Registrable Securities of its intention to effect such a registration (each a "Piggyback Notice") and, subject to Sections 5(c) and 5(d) below, the Company will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the date of sending of the Company's notice (the "Included Registrable Securities"); provided, however, that, at the Company's option, the Company may file a separate registration statement for, and with respect to, Included Registrable Securities in satisfaction of the Company's obligation hereunder; provided, further, that the price per share under and terms of the separate registration statement shall be no less favorable than the price per share and terms of the Piggyback Registration.

(b) The Company will pay all Registration Expenses in connection with the Piggyback Registrations.

(c) If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner within a price range acceptable to the Company, the Company will include in such registration (i) first, the securities the Company proposes to sell and (ii) second, the Registrable Securities requested to be included in such Registration and any other securities requested to be included in such registration, pro rata among the holders of Registrable Securities requesting such registration and the holders of such other securities on the basis of the number of shares owned by each such holder.

(d) If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities other than the holders of Registrable Securities, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the holders initially requesting such

registration, the Company will include in such registration first, all of the securities requested to be included therein by the holders initially requesting such registration and second, the Registrable Securities requested to be included in such registration pro rata among the holders of such Registrable Securities on the basis of the number of shares owned by each such holder.

(e) In the case of an underwritten Piggyback Registration, the Company will have the right to select the investment banker(s) and manager(s) to administer the offering.

6. HOLDBACK AGREEMENTS. The Company agrees (a) not to effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the 90-day period beginning on the effective date of any underwritten Demand Registration (except pursuant to (i) registrations on Form S-8 or any successor form, (ii) registrations on Form S-4 or any successor form, and (iii) registrations of securities in connection with the Company's dividend reinvestment plan on form(s) applicable to such securities), unless the underwriters managing the registered public offering otherwise agree, and (b) to use its reasonable efforts to obtain agreements from its officers, directors and affiliated stockholders (including, without limitation, each holder of more than 5% of the outstanding Common Stock), to agree not to effect any public sale or distribution (including sales pursuant to Rule 144) of any such securities during such period (except as part of such underwritten registration, if otherwise permitted), unless the underwriters managing the registered public offering otherwise agree.

7. REGISTRATION PROCEDURES. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company will use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof and pursuant thereto the Company will as expeditiously as possible:

(a) prepare and file with the Securities and Exchange Commission a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective and, in the case of an Additional Shelf Registration, remain effective for a period of ninety days (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to the counsel selected by the holders of a majority of the Registrable Securities covered by such registration statement copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel);

(b) prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for the period required by the intended method of disposition or to describe the terms of any offering made from an effective Shelf Registration, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(c) furnish to each seller of Registrable Securities such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other

documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) use its best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 7(d), (ii) subject itself to taxation in any such jurisdiction, (iii) consent to general service of process in any such jurisdiction, or (iv) qualify such Registrable Securities in a given jurisdiction where expressions of investment interest are not sufficient in such jurisdiction to reasonably justify the expense of qualification in the jurisdiction or where such qualification would require the Company to register as a broker or dealer in such jurisdiction);

(e) notify each seller of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any material fact necessary to make the statements therein not misleading, and, at the request of any such seller, the Company will prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading;

(f) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and to be qualified for trading on each system on which similar securities issued by the Company are from time to time qualified;

(g) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement and thereafter maintain such a transfer agent and registrar;

(h) enter into such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the shares of Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(i) make available for inspection by any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such underwriter, attorney, accountant or agent in connection with such registration statement:

(j) otherwise use its best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11 (a) of the Securities Act and Rule 158 thereunder;

(k) permit any holder of Registrable Securities which holder, in its sole and exclusive judgment, might be deemed to be an underwriter or a controlling person of the Company, to participate in the preparation of such registration or comparable statement and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of such holder and its counsel should be included;

(l) make available appropriate management personnel for participation in the preparation and drafting of such registration or comparable statement, for due diligence meetings;

(m) provided the registration statement covers a number of shares of Common Stock at least equal to 15% of the then issued and outstanding shares of Common Stock, make available appropriate management personnel for participation in "road show" meetings;

(n) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any common stock included in such registration statement for sale in any jurisdiction, the company will use its reasonable best efforts to promptly obtain the withdrawal of such order; and

(o) use reasonable efforts to obtain a cold comfort letter from the Company's independent public accountants addressed to the selling holders of Registrable Securities in customary form and covering such matters of the type customarily covered by cold comfort letters as the holders of a majority of the Registrable Securities being sold reasonably request.

Each of the New Investors agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 7(e) or (n) hereof, each of the New Investors will forthwith discontinue disposition of shares of Common Stock pursuant to a Demand Registration or a Piggyback Registration or an Investor-Paid Shelf Registration until receipt of the copies of an appropriate supplement or amendment to the prospectus under Section 7(e) hereof or until the withdrawal of such order under Section 7(n) hereof. If any such registration or comparable statement refers to any holder by name or otherwise as the holder of any securities of the Company and if, in its sole and exclusive judgment, such holder is or might be deemed to be a controlling person of the Company, such holder shall have the right to require (i) the insertion therein of language, in form and substance satisfactory to such holder and presented to the Company in writing, to the effect that the holding by such holder of such securities is not to be construed as a recommendation by such holder of the investment quality of the Company's securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to such holder by name

or otherwise is not required by the Securities Act or any similar Federal statute then in force, the deletion of the reference to such holder; provided that with respect to this clause (ii) such holder shall furnish to the Company an opinion of counsel to such effect, which opinion and counsel shall be reasonably satisfactory to the Company.

8. REGISTRATION EXPENSES. All expenses incident to the Company's performance of or compliance with this agreement, including, without limitation, all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding underwriting discounts and commissions which shall be paid pro rata by the selling stockholders out of the proceeds of the offering) and other Persons retained by the Company (all such expenses being herein called "Registration Expenses"), will be borne by the Company except with respect to Water Oak Registrations and Investor-Paid Shelf Registrations. The Company will pay all Registration Expenses in connection with the Water Oak Registrations requested in every other year commencing on December 8, 1994, and Water Oak will pay all Registration Expenses applicable to Registrable Securities held by Water Oak in connection with the Water Oak Registrations requested in the alternate years.

9. RESTRICTIONS ON TRANSFER OF STOCKHOLDER SHARES.

(a) Without the prior written consent of the Company, each of the New Investors agrees not to, directly or indirectly, offer, sell, contract to sell or otherwise dispose of (or announce any offer, sale, contract of sale or other disposition)("Transfer") any shares of Common Stock, or any securities convertible into or exchangeable for shares of Common Stock, including, without limitation, interests in the Partnership (all of such securities being hereinafter referred to herein as "Restricted Securities"), until December 8, 1996.

(b) The restrictions contained in this Section 9 will not apply with respect to any Transfer of the Restricted Securities to Milton M. Shiffman or Gary A. Shiffman (or to a member of the Family Group of any of them) by any New Investor or by any New Investor pursuant to applicable laws of descent and distribution or among such New Investor's Family Group or Affiliates (collectively referred to herein as "Permitted Transferees"); provided that the restrictions contained in this Section 9 shall continue to be applicable to the Restricted Securities after any such Transfer and provided further that the transferees of such Restricted Securities prior to any Transfer shall have agreed in writing to be bound by the provisions of this Agreement affecting the Restricted Securities so transferred. "Family Group" means, with respect to any New Investor, the New Investor's spouse and descendants (whether natural or adopted) and any trust for the benefit of the New Investor and/or the New Investor's spouse and/or descendants or any entity controlled (directly or indirectly) by any such person.

(c) subject to the foregoing restrictions, the Company and each of the New Investors hereby agree that any subsequent holder of Registrable Securities shall be entitled to all benefits hereunder as a holder of Registrable Securities; provided, however, that, in any event, if the Company's Charter prohibits the acquisition of the desired number of shares by such holder, such number shall be reduced to the amount of shares of Registrable Securities

such holder may acquire and such holder's transferees shall also be entitled to all benefits hereunder as a holder of Registrable Securities.

10. INDEMNIFICATION.

(a) The Company agrees to indemnify, to the extent permitted by law, each holder of Registrable Securities, its officers, directors and trustees and each Person who controls (within the meaning of the Securities Act) such holder against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished to the Company in writing by such holder expressly for use therein or by such holder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such holder with a sufficient number of copies of the same. In connection with an underwritten offering, the Company will indemnify such underwriters, their officers and directors and each Person who controls (within the meaning of the Securities Act) such underwriters to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

(b) In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder will furnish to the Company in writing such information as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, will indemnify the Company, its directors and officers and each Person who controls (within the meaning of the Securities Act) the Company against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information so furnished in writing by such holder; provided that the obligation to indemnify will be individual to each holder.

(c) Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other such indemnified parties with respect to such claim.

(d) The indemnification provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the transfer of securities. The Company also agrees to make such provisions, as are reasonably requested by any indemnified party, for contribution to such party in the event the company's indemnification is unavailable for any reason.

11. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS. No Person may participate in any registration hereunder which is underwritten unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided that no holder of Registrable Securities included in any underwritten registration shall be required to make any representations or warranties to the Company or the underwriters other than representations and warranties regarding such holder and such holder's intended method of distribution.

12. LISTING REQUIREMENTS. The Company hereby agrees to cause all Registrable Securities to be promptly listed on each securities exchange on which similar securities issued by the Company are listed and to be qualified for trading on each system on which similar securities issued by the Company are from time to time qualified.

13. REPORTS AND INFORMATION. The Company hereby agrees to provide to each of the New Investors copies of all documents distributed to the Company's shareholders.

14. MISCELLANEOUS.

(a) The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the holders of Registrable Securities in this Agreement.

(b) The Company will not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement or which would materially and adversely affect the marketability of such Registrable Securities in any such registration (including, without limitation, effecting a stock split or a combination of shares) provided that this subsection (b) shall not apply to actions or changes with respect to the Company's business, earnings or revenues where the effect of such actions or changes on the Registrable Securities is merely incidental.

(c) Any Person having rights under any provision of this Agreement will be entitled to enforce such rights specifically to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any

bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(d) Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and holders of a majority of the then outstanding shares of Registrable Securities. However, the Company may unilaterally amend this Agreement to provide (i) that other holders of Registrable Securities shall be added as parties to this Agreement and included within the definition of "New Investor" or (ii) that Registrable Securities held by any holder shall be included within the definition of "Registrable Securities".

(e) Subject to Section 9 hereof, all covenants and agreements in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made but subject in any case to Section 9 hereof, the provisions of this Agreement which are for the benefit of purchasers or holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities.

(f) Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(g) This Agreement may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(h) The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(i) The corporate laws of the State of Maryland will govern all questions concerning the relative rights of the Company or its stockholders and the laws of Michigan will govern all questions concerning the relative rights of holders of Common OP Units or Preferred OP Units. All other questions concerning the construction, validity and interpretation of this Agreement will be governed by and construed in accordance with the domestic laws of the State of Michigan, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Michigan or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Michigan. This Section 14(i) shall not be interpreted as granting exclusive jurisdiction to the States of Michigan and Maryland.

(j) All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, sent to the recipient by reputable express courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid. Such notices, demands and other

communications will be sent to each of the New Investors at their respective addresses as indicated on the records of the Company and to the Company at the address indicated below:

31700 Middlebelt Road
Suite 145
Farmington Hills, Michigan 48334

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first set forth above.

SUN COMMUNITIES, INC.,
a Maryland corporation

By: Gary A. Shiffman

Name: Gary A. Shiffman
Its: President

[Signatures continued on attached signature pages]

ANNEX A
PROJECT PARTNERSHIPS

1. Aspen-Allendale Project Limited Partnership
2. Aspen-Presidential Project Limited Partnership
3. Aspen-Alpine Project Limited Partnership
4. Bedford Hills Mobile Village
5. Aspen-Brentwood Project Limited Partnership
6. Aspen-Byron Project Limited Partnership
7. Aspen-Country Project Limited Partnership
8. Aspen-Cutler Associates Limited Partnership
9. Aspen-Grand Project Limited Partnership
10. Aspen-Kings Court Limited Partnership
11. Aspen-Town & Country Associates II Limited Partnership
12. Aspen-Paradise Park II Limited Partnership
13. Aspen-Arbor Terrace, LP
14. Aspen-Bonita Lake Resort Limited Partnership
15. Aspen-Breezy Project Limited Partnership
16. Aspen-Indian Project Limited Partnership
17. Aspen-Siesta Bay Limited Partnership
18. Aspen-Silver Star II Limited Partnership
19. Aspen-Ft. Collins Limited Partnership

EXHIBIT 10.28

COMMON OP UNITS

REGISTRATION RIGHTS AND LOCK-UP AGREEMENT

This Registration Rights and Lock-Up Agreement (the "Agreement") is entered into as of April 30, 1996 among Sun Communities, Inc., a Maryland corporation (the "Company") and the parties set forth in the signature pages hereto (severally a "New Investor" and jointly the "New Investors").

RECITALS

A. Sun Communities Operating Limited Partnership, a Michigan limited partnership (the "Partnership"), Sun GP L.L.C., a Michigan limited liability company ("SGP"), the entities listed on the attached Annex A (the "Project Partnerships"), certain other entities and the New Investors have entered into certain Contribution Agreements pursuant to which the Company has agreed to issue certain common limited partnership interests in the Partnership ("Common OP Units") to the New Investors.

B. The Second Amended and Restated Limited Partnership Agreement dated April 30, 1996 of the Partnership (the "Partnership Agreement") provides that the Company, in its capacity as general partner of the Partnership, will, subject to certain limitations, exchange one share of the Company's common stock ("Common Stock") for one (1) Common OP Unit.

C. The Company, Lehman Brothers, Inc., and certain other holders of Common Stock and Common OP Units (the "Original Investors") previously entered into a Registration Rights and Lock-Up Agreement dated as of December 15, 1993 (the "Original Registration Rights Agreement") pursuant to which the Company granted certain rights to the Original Investors.

D. The Company and certain holders of Common OP Units (the "MLVA Investors") previously entered into a Registration Rights and Lock-Up Agreement dated as of April 7, 1994 (the "MLVA Registration Rights Agreement") pursuant to which the Company granted certain rights to the MLVA Investors.

E. The Company and certain holders of Common OP Units (the "Scio Investors") previously entered into a Registration Rights and Lock-Up Agreement dated as of March 30, 1995 (the "Scio Registration Rights Agreement") pursuant to which the Company granted certain rights to the Scio Investors.

F. The Company and a certain holder of Common OP Units (the "Smokler Investor") previously entered into a Registration Rights and Lock-Up Agreement dated as of May 1, 1995 (the "Smokler Registration Rights Agreement") pursuant to which the Company granted certain rights to the Smokler Investor.

G. The Company and certain holders of limited partnership interests in the Partnership known as "Preferred OP Units" (the "Preferred OP Units") have entered into a Registration Rights and Lock-Up Agreement dated as of April 30, 1996 (the "Preferred OP Units Registration Rights Agreement") pursuant to which the Company granted certain rights to such holders (the "Preferred OP Units Holders").

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS. The following capitalized terms shall have the following definitions:

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly, controls, is controlled by or under common control with such Person.

"Existing Investors" means the Preferred OP Units Holders, the Smokler Investor, the Scio Investors, the MLVA Investors and the Original Investors.

"Person" means an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof.

"Registrable Securities" means (i) the Common Stock issued or issuable upon exchange of the Common OP Units, [(ii) the Common Stock issued or issuable upon exchange of Common OP Units issued or issuable upon the conversion of the Preferred OP Units,] (iii) the Common Stock issued or issuable upon exercise of stock options, (iv) the Common Stock issued prior to or contemporaneously with the Company's initial public offering of Common Stock, and (v) any Common Stock issued or issuable with respect to the Common Stock referred to in clauses (i) through (iv), inclusive, above by way of stock dividend, stock split or in connection with a combination of stock, recapitalization, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities will cease to be Registrable Securities when they have been sold to the public pursuant to an offering registered under the Securities Act or sold to the public in compliance with Rule 144 under the Securities Act (or any similar rule then in force). For purposes of this Agreement, (i) Registrable Securities shall include those Registrable Securities held by Existing Investors, New Investors, and their respective successors and assigns, and (ii) a Person will be deemed to be a holder of Registrable Securities whenever such Person has the right to acquire directly or indirectly such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected.

"Registration Rights Agreements" means this Agreement, the Smokler Registration Rights Agreement, the Scio Registration Rights Agreement, the MLVA Registration Rights Agreement, and the Original Registration Rights Agreement.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal law then in force.

"Water Oak" means Water Oak Ltd., a Florida limited partnership.

"Water Oak Registration" means the registration rights granted to Water Oak pursuant to Section 1 (b) of the Original Registration Rights Agreement.

2. DEMAND REGISTRATIONS.

(a) From May 1, 1998 until April 30, 2003, subject to the terms and conditions set forth herein, each of the New Investors may request registration under the Securities Act of all or part of his Registrable Securities (each, a "Demand Registration"). Any request (a "Registration Request") for a Demand Registration shall specify (i) the number of Registrable Securities requested to be registered (but not less than 20,000 shares of Common Stock), and (ii) whether or not such Demand Registration should be filed pursuant to Rule 415 of Regulation C promulgated under the Securities Act (or any successor rule) (a "Shelf Registration"); provided, however, that the Company may elect, at its option, to file for a Shelf Registration. Within ten days after the date of sending of such request, the Company will give written notice of such requested registration to all other holders of Registrable Securities, if any, and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the date of sending of the Company's notice.

(b) The holders of Registrable Securities will be entitled to request six (6) Demand Registrations, each of which may be an underwritten registration or a Shelf Registration to remain effective for up to six months; provided, however, that none of the New Investors shall be entitled to request an additional Demand Registration as long as the Company maintains an effective Shelf Registration covering all Registrable Securities held by the New Investors or their respective transferees until April 30, 2003 and otherwise complies with the terms of this Agreement. Demand Registrations requested under the Original Registration Rights Agreement, the MLVA Registration Rights Agreement, the Scio Registration Rights Agreement and the Smokler Registration Rights Agreement shall be included in the definition of Demand Registrations for purposes of determining the number of Demand Registrations permitted under this Section 2(b) as long as any of the New Investors has the right to include his Registrable Securities in such registrations.

(c) The Company will pay all "Registration Expenses" (as defined in Section 8 of this Agreement) in connection with the Demand Registrations.

(d) A registration will not count as one of the Demand Registrations unless the holders of Registrable Securities are able to register and in fact sell at least 75% of the Registrable Securities requested to be included in such registration.

(e) Until April 30, 2003, the Company will not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the holders of a majority of the shares of Registrable Securities included in such registration. If a Demand Registration or a Water Oak Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering, exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to Water Oak or the holders of a majority of the Registrable Securities initially requesting registration, as the case may be, the Company will (i) in the case of a Demand Registration, include in such registration prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested to be included which in the opinion of such underwriters can be sold in an orderly manner within the price range of such offering, pro rata among the respective holders thereof on the basis of the amount of Registrable

Securities owned by each such holder and (ii) in the case of a Water Oak Registration, the Company will include in such registration first, the number of Water Oak Shares requested to be included and second, the number of Registrable Securities which in the written opinion of such underwriters can be sold in an orderly manner within the price range of such offering, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder.

(f) In the case of an underwritten offering, the holders of a majority of the then outstanding shares of Registrable Securities or, in the case of a Water Oak Registration, Water Oak, will have the right to select the investment banker(s) and manager(s) to administer the offering, subject to the Company's approval which will not be unreasonably withheld.

3. ADDITIONAL SHELF REGISTRATIONS.

(a) In addition to his rights set forth in Section 2, each of the New Investors may request in writing that the Company register all or part of his Registrable Securities pursuant to an additional Shelf Registration (an "Additional Shelf Registration") at any time from May 1, 1998 (the "Shelf Request Date") through April 30, 2003, provided that the Company shall not be required to effect more than one Additional Shelf Registration in any calendar year pursuant to the Registration Rights Agreements. Any request for an Additional Shelf Registration shall specify the number of Registrable Securities to be registered (but not less than the lesser of 10,000 shares of Common Stock or all of such requesting New Investor's Registrable Securities). Within ten days after the sending of such request, the Company will give written notice of such requested Additional Shelf Registration to all other holders of Registrable Securities, if any, and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the date of sending of the Company's notice.

(b) Additional Shelf Registrations shall not count as Demand Registrations; provided, however, that none of the New Investors shall be entitled to request an Additional Shelf Registration as long as the Company maintains an effective Shelf Registration covering all Registrable Securities held by any of the New Investors or their respective transferees until April 30, 2003 and otherwise complies with the terms of this Agreement.

(c) The Company will pay all Registration Expenses in connection with the Additional Shelf Registrations.

4. ADDITIONAL SHELF REGISTRATIONS AT NEW INVESTOR'S COST.

(a) In addition to his rights set forth in Sections 2 and 3, each of the New Investors may request in writing that the Company register all or part of his Registrable Securities pursuant to an additional Shelf Registration (an "Investor-Paid Shelf Registration") at any time after the fifth anniversary of the Shelf Request Date, provided that the Company shall not be required to effect more than one Investor-Paid Shelf Registration in any calendar year pursuant to this Agreement. Any request for an Investor-Paid Shelf Registration shall specify the number of Registrable Securities to be registered (but not less than the lesser of 100,000 shares of Common Stock or all of the New Investor's Registrable Securities).

(b) Investor-Paid Shelf Registrations shall not count as Demand Registrations; provided, however, that none of the New Investors shall be entitled to request an Investor-Paid Shelf Registration during any calendar year as long as the Company maintains an effective Shelf Registration covering all Registrable Securities held by any of the New Investors or their respective transferees until the end of such calendar year.

(c) Each of the New Investors and any transferees of the New Investors participating in the Investor-Paid Shelf Registration will pay all Registration Expenses in connection with such Investor-Paid Shelf Registration in proportion to the amount of Registrable Securities held by each New Investor or transferee of a New Investor participating in the Investor-Paid Shelf Registration.

(d) Notwithstanding anything to the contrary, the Company shall not be required to register any Registrable Securities pursuant to an Investor-Paid Shelf Registration if the Company delivers an opinion letter from its counsel stating that all of the Registrable Securities requested to be registered may be sold to the public in compliance with Rule 144 under the Securities Act (or any similar rule then in force).

5. PIGGYBACK REGISTRATIONS.

(a) Until that date that is five (5) years after the date of this Agreement, if the Company proposes to register any of its securities under the Securities Act (other than pursuant to (i) a Demand Registration or an Additional Shelf Registration pursuant to the Registration Rights Agreements, (ii) a registration on Form S-4 or any successor form, (iii) an offering of securities in connection with an employee benefit, stock dividend, stock ownership or dividend reinvestment plan), and the registration form to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company will give prompt written notice to all holders of Registrable Securities of its intention to effect such a registration (each a "Piggyback Notice") and, subject to Sections 5(c) and 5(d) below, the Company will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the date of sending of the Company's notice (the "Included Registrable Securities"); provided, however, that, at the Company's option, the Company may file a separate registration statement for, and with respect to, Included Registrable Securities in satisfaction of the Company's obligation hereunder; provided, further, that the price per share under and terms of the separate registration statement shall be no less favorable than the price per share and terms of the Piggyback Registration.

(b) The Company will pay all Registration Expenses in connection with the Piggyback Registrations.

(c) If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner within a price range acceptable to the Company, the Company will include in such registration (i) first, the securities the Company proposes to sell and (ii) second, the Registrable Securities requested to be included in such Registration and any other securities requested to be included in such registration, pro rata among the holders of Registrable Securities requesting such registration and the holders of such other securities on the basis of the number of shares owned by each such holder.

(d) If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities other than the holders of Registrable Securities, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the holders initially requesting such registration, the Company will include in such registration first, all of the securities requested to be included therein by the holders initially requesting such registration and second, the Registrable Securities requested to be included in such registration pro rata among the holders of such Registrable Securities on the basis of the number of shares owned by each such holder.

(e) In the case of an underwritten Piggyback Registration, the Company will have the right to select the investment banker(s) and manager(s) to administer the offering.

6. HOLDBACK AGREEMENTS. The Company agrees (a) not to effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the 90-day period beginning on the effective date of any underwritten Demand Registration (except pursuant to (i) registrations on Form S-8 or any successor form, (ii) registrations on Form S-4 or any successor form, and (iii) registrations of securities in connection with the Company's dividend reinvestment plan on form(s) applicable to such securities), unless the underwriters managing the registered public offering otherwise agree, and (b) to use its reasonable efforts to obtain agreements from its officers, directors and affiliated stockholders (including, without limitation, each holder of more than 5% of the outstanding Common Stock), to agree not to effect any public sale or distribution (including sales pursuant to Rule 144) of any such securities during such period (except as part of such underwritten registration, if otherwise permitted), unless the underwriters managing the registered public offering otherwise agree.

7. REGISTRATION PROCEDURES. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company will use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof and pursuant thereto the Company will as expeditiously as possible:

(a) prepare and file with the Securities and Exchange Commission a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective and, in the case of an Additional Shelf Registration, remain effective for a period of ninety days (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to the counsel selected by the holders of a majority of the Registrable Securities covered by such registration statement copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel);

(b) prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for the period required by the intended method of disposition or to describe the terms of any offering made from an effective Shelf Registration, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration

statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(c) furnish to each seller of Registrable Securities such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) use its best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 7(d), (ii) subject itself to taxation in any such jurisdiction, (iii) consent to general service of process in any such jurisdiction, or (iv) qualify such Registrable Securities in a given jurisdiction where expressions of investment interest are not sufficient in such jurisdiction to reasonably justify the expense of qualification in the jurisdiction or where such qualification would require the Company to register as a broker or dealer in such jurisdiction);

(e) notify each seller of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any material fact necessary to make the statements therein not misleading, and, at the request of any such seller, the Company will prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading;

(f) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and to be qualified for trading on each system on which similar securities issued by the Company are from time to time qualified;

(g) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement and thereafter maintain such a transfer agent and registrar;

(h) enter into such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the shares of Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(i) make available for inspection by any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors,

employees and independent accountants to supply all information reasonably requested by any such underwriter, attorney, accountant or agent in connection with such registration statement:

(j) otherwise use its best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11 (a) of the Securities Act and Rule 158 thereunder;

(k) permit any holder of Registrable Securities which holder, in its sole and exclusive judgment, might be deemed to be an underwriter or a controlling person of the Company, to participate in the preparation of such registration or comparable statement and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of such holder and its counsel should be included;

(l) make available appropriate management personnel for participation in the preparation and drafting of such registration or comparable statement, for due diligence meetings;

(m) provided the registration statement covers a number of shares of Common Stock at least equal to 15% of the then issued and outstanding shares of Common Stock, make available appropriate management personnel for participation in "road show" meetings;

(n) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any common stock included in such registration statement for sale in any jurisdiction, the company will use its reasonable best efforts to promptly obtain the withdrawal of such order; and

(o) use reasonable efforts to obtain a cold comfort letter from the Company's independent public accountants addressed to the selling holders of Registrable Securities in customary form and covering such matters of the type customarily covered by cold comfort letters as the holders of a majority of the Registrable Securities being sold reasonably request.

Each of the New Investors agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 7(e) or (n) hereof, each of the New Investors will forthwith discontinue disposition of shares of Common Stock pursuant to a Demand Registration or a Piggyback Registration or an Investor-Paid Shelf Registration until receipt of the copies of an appropriate supplement or amendment to the prospectus under Section 7(e) hereof or until the withdrawal of such order under Section 7(n) hereof. If any such registration or comparable statement refers to any holder by name or otherwise as the holder of any securities of the Company and if, in its sole and exclusive judgment, such holder is or might be deemed to be a controlling person of the Company, such holder shall have the right to require (i) the insertion therein of language, in form and substance satisfactory to such holder and presented to the Company in writing, to the effect that the holding by such holder of such securities is not to be construed as a recommendation by such holder of the investment quality of the Company's securities covered thereby and that such

holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to such holder by name or otherwise is not required by the Securities Act or any similar Federal statute then in force, the deletion of the reference to such holder; provided that with respect to this clause (ii) such holder shall furnish to the Company an opinion of counsel to such effect, which opinion and counsel shall be reasonably satisfactory to the Company.

8. REGISTRATION EXPENSES. All expenses incident to the Company's performance of or compliance with this agreement, including, without limitation, all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding underwriting discounts and commissions which shall be paid pro rata by the selling stockholders out of the proceeds of the offering) and other Persons retained by the Company (all such expenses being herein called "Registration Expenses"), will be borne by the Company except with respect to Water Oak Registrations and Investor-Paid Shelf Registrations. The Company will pay all Registration Expenses in connection with the Water Oak Registrations requested in every other year commencing on December 8, 1994, and Water Oak will pay all Registration Expenses applicable to Registrable Securities held by Water Oak in connection with the Water Oak Registrations requested in the alternate years.

9. RESTRICTIONS ON TRANSFER OF STOCKHOLDER SHARES.

(a) Without the prior written consent of the Company, each of the New Investors agrees not to, directly or indirectly, offer, sell, contract to sell or otherwise dispose of (or announce any offer, sale, contract of sale or other disposition)("Transfer") any shares of Common Stock, or any securities convertible into or exchangeable for shares of Common Stock, including, without limitation, interests in the Partnership (all of such securities being hereinafter referred to herein as "Restricted Securities"), until December 8, 1996.

(b) The restrictions contained in this Section 9 will not apply with respect to any Transfer of the Restricted Securities to Milton M. Shiffman or Gary A. Shiffman (or to a member of the Family Group of any of them) by any New Investor or by any New Investor pursuant to applicable laws of descent and distribution or among such New Investor's Family Group or Affiliates (collectively referred to herein as "Permitted Transferees"); provided that the restrictions contained in this Section 9 shall continue to be applicable to the Restricted Securities after any such Transfer and provided further that the transferees of such Restricted Securities prior to any Transfer shall have agreed in writing to be bound by the provisions of this Agreement affecting the Restricted Securities so transferred. "Family Group" means, with respect to any New Investor, the New Investor's spouse and descendants (whether natural or adopted) and any trust for the benefit of the New Investor and/or the New Investor's spouse and/or descendants or any entity controlled (directly or indirectly) by any such person.

(c) Subject to the foregoing restrictions, the Company and each of the New Investors hereby agree that any subsequent holder of Registrable Securities shall be entitled to all benefits hereunder as a holder of Registrable Securities; provided, however, that, in any event, if the Company's Charter prohibits the acquisition of the desired number of shares by such holder, such number shall be reduced to the amount of shares of Registrable Securities

such holder may acquire and such holder's transferees shall also be entitled to all benefits hereunder as a holder of Registrable Securities.

10. INDEMNIFICATION.

(a) The Company agrees to indemnify, to the extent permitted by law, each holder of Registrable Securities, its officers, directors and trustees and each Person who controls (within the meaning of the Securities Act) such holder against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished to the Company in writing by such holder expressly for use therein or by such holder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such holder with a sufficient number of copies of the same. In connection with an underwritten offering, the Company will indemnify such underwriters, their officers and directors and each Person who controls (within the meaning of the Securities Act) such underwriters to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

(b) In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder will furnish to the Company in writing such information as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, will indemnify the Company, its directors and officers and each Person who controls (within the meaning of the Securities Act) the Company against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information so furnished in writing by such holder; provided that the obligation to indemnify will be individual to each holder.

(c) Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other such indemnified parties with respect to such claim.

(d) The indemnification provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the transfer of securities. The Company also agrees to make such provisions, as are reasonably requested by any indemnified party, for contribution to such party in the event the company's indemnification is unavailable for any reason.

11. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS. No Person may participate in any registration hereunder which is underwritten unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided that no holder of Registrable Securities included in any underwritten registration shall be required to make any representations or warranties to the Company or the underwriters other than representations and warranties regarding such holder and such holder's intended method of distribution.

12. LISTING REQUIREMENTS. The Company hereby agrees to cause all Registrable Securities to be promptly listed on each securities exchange on which similar securities issued by the Company are listed and to be qualified for trading on each system on which similar securities issued by the Company are from time to time qualified.

13. REPORTS AND INFORMATION. The Company hereby agrees to provide to each of the New Investors copies of all documents distributed to the Company's shareholders.

14. MISCELLANEOUS.

(a) The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the holders of Registrable Securities in this Agreement.

(b) The Company will not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement or which would materially and adversely affect the marketability of such Registrable Securities in any such registration (including, without limitation, effecting a stock split or a combination of shares) provided that this subsection (b) shall not apply to actions or changes with respect to the Company's business, earnings or revenues where the effect of such actions or changes on the Registrable Securities is merely incidental.

(c) Any Person having rights under any provision of this Agreement will be entitled to enforce such rights specifically to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(d) Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and holders of a majority of the then outstanding shares of Registrable Securities. However, the Company may unilaterally amend this Agreement to provide (i) that other holders of Registrable Securities shall be added as parties to this Agreement and included within the definition of "New Investor" or (ii) that Registrable Securities held by any holder shall be included within the definition of "Registrable Securities".

(e) Subject to Section 9 hereof, all covenants and agreements in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made but subject in any case to Section 9 hereof, the provisions of this Agreement which are for the benefit of purchasers or holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities.

(f) Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(g) This Agreement may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(h) The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(i) The corporate laws of the State of Maryland will govern all questions concerning the relative rights of the Company or its stockholders and the laws of Michigan will govern all questions concerning the relative rights of holders of Common OP Units or Preferred OP Units. All other questions concerning the construction, validity and interpretation of this Agreement will be governed by and construed in accordance with the domestic laws of the State of Michigan, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Michigan or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Michigan. This Section 14(i) shall not be interpreted as granting exclusive jurisdiction to the States of Michigan and Maryland.

(j) All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, sent to the recipient by reputable express courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid. Such notices, demands and other communications will be sent to each of the New Investors at their respective addresses as indicated on the records of the Company and to the Company at the address indicated below:

31700 Middlebelt Road
Suite 145
Farmington Hills, Michigan 48334

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first set forth above.

SUN COMMUNITIES, INC.,
a Maryland corporation

By: Gary A. Shiffman

Name: GARY A. SHIFFMAN
Its: PRESIDENT

[Signatures continued on attached signature pages]

ANNEX A

PROJECT PARTNERSHIPS

1. Aspen-Allendale Project Limited Partnership
2. Aspen-Presidential Project Limited Partnership
3. Aspen-Alpine Project Limited Partnership
4. Bedford Hills Mobile Village
5. Aspen-Brentwood Project Limited Partnership
6. Aspen-Byron Project Limited Partnership
7. Aspen-Country Project Limited Partnership
8. Aspen-Cutler Associates Limited Partnership
9. Aspen-Grand Project Limited Partnership
10. Aspen-Kings Court Limited Partnership
11. Aspen-Town & Country Associates II Limited Partnership
12. Aspen-Paradise Park II Limited Partnership
13. Aspen-Arbor Terrace, LP
14. Aspen-Bonita Lake Resort Limited Partnership
15. Aspen-Breezy Project Limited Partnership
16. Aspen-Indian Project Limited Partnership
17. Aspen-Siesta Bay Limited Partnership
18. Aspen-Silver Star II Limited Partnership
19. Aspen-Ft. Collins Limited Partnership

EXHIBIT 10.29

REGISTRATION RIGHTS AGREEMENT

This Registration Rights and Lock-Up Agreement (the "Agreement") is entered into as of November 25, 1996 among SUN COMMUNITIES, INC., a Maryland corporation (the "Company"), DONALD L. SMITH ("Smith"), individually, and S&K SMITH CO., a Michigan co-partnership ("S&K"; S&K and Smith are sometimes hereinafter collectively referred to as the "New Investors").

RECITALS

A. Sun Communities Operating Limited Partnership, a Michigan limited partnership (the "Partnership"), and the New Investors entered into a Contribution Agreement pursuant to which the Company has agreed to issue limited partnership interests in the Partnership ("Common OP Units") to the New Investors.

B. The limited partnership agreement of the Partnership (the "Partnership Agreement") provides that the Company, in its capacity as general partner of the Partnership, will, subject to certain limitations, exchange one share of the Company's common stock ("Common Stock") for one (1) Common OP Unit.

C. The Company, Lehman Brothers, Inc., and certain other holders of Common Stock and Common OP Units (the "Original Investors") previously entered into a Registration Rights and Lock-Up Agreement dated as of December 15, 1993 (the "Original Registration Rights Agreement") pursuant to which the Company granted certain rights to the Original Investors.

D. The Company and certain holders of Common OP Units (the "MLVA Investors") previously entered into a Registration Rights and Lock-Up Agreement dated as of April 7, 1994 (the "MLVA Registration Rights Agreement") pursuant to which the Company granted certain rights to the MLVA Investors.

E. The Company and certain holders of Common OP Units (the "Scio Investors") previously entered into a Registration Rights and Lock-Up Agreement dated as of March 30, 1995 (the "Scio Registration Rights Agreement") pursuant to which the Company granted certain rights to the Scio Investors.

F. The Company and a holder of Common OP Units (the "Kensington Investor") previously entered into a Registration Rights and Lock-Up Agreement dated as of May 1, 1995 (the "Kensington Registration Rights Agreement") pursuant to which the Company granted certain rights to the Kensington Investor.

G. The Company and certain holders of Common OP Units (the "Aspen Investors") previously entered into a Registration Rights and Lock-Up Agreement dated as of April 30, 1996 (the "Aspen Registration Rights Agreement") pursuant to which the Company granted certain rights to the Aspen Investors.

H. The Company and the New Investors are entering into this Agreement to set forth certain rights and restrictions with respect to the Common OP Units held by the New Investors.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS. The following capitalized terms shall have the following definitions:

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly, controls, is controlled by or under common control with such Person.

"Existing Investors" means the Aspen Investors, Kensington Investor, Scio Investors, MLVA Investors, and the Original Investors.

"Person" means an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof.

"Registrable Securities" means (i) the Common Stock issued or issuable upon exchange of the Common OP Units, (ii) the Common Stock issued or issuable upon exercise of stock options, (iii) the Common Stock issued prior to or contemporaneously with the Company's initial public offering of Common Stock, and (iv) any Common Stock issued or issuable with respect to the Common Stock referred to in clauses (i) through (iii), inclusive, above by way of stock dividend, stock split or in connection with a combination of stock, recapitalization, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities will cease to be Registrable Securities when they have been sold to the public pursuant to an offering registered under the Securities Act or sold to the public in compliance with Rule 144 under the Securities Act (or any similar rule then in force). For purposes of this Agreement, (i) Registrable Securities shall include those Registrable Securities held by Existing Investors, the New Investors, and their successors and assigns, and (ii) a Person will be deemed to be a holder of Registrable Securities whenever such Person has the right to acquire directly or indirectly such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected.

"Registration Rights Agreements" means this Agreement, the Aspen Registration Rights Agreement, the Kensington Registration Rights Agreement, the Scio Registration Rights Agreement, the MLVA Registration Rights Agreement, and the Original Registration Rights Agreement.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal law then in force.

"Water Oak" means Water Oak Ltd., a Florida limited partnership.

"Water Oak Registration" means the registration rights granted to Water Oak pursuant to Section 1(b) of the Original Registration Rights Agreement.

2. DEMAND REGISTRATIONS.

(a) From the one year anniversary of the date of this Agreement until the five year anniversary of the date of this Agreement, subject to the terms and conditions set forth herein, the New Investors may request registration under the Securities Act of all or part of their Registrable Securities (each, a "Demand Registration"). Any request (a "Registration Request") for a Demand Registration shall specify (i) the number of Registrable Securities requested to be registered (but not less than 20,000 shares of Common Stock), and (ii) whether or not such Demand Registration should be filed pursuant to Rule 415 of Regulation C promulgated under the Securities Act (or any successor rule) (a "Shelf Registration"); provided, however, that the Company may elect, at its option, to file for a Shelf Registration. Within ten (10) days after the date of sending of such request, the Company will give written notice of such requested registration to all other holders of Registrable Securities, if any, and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within fifteen (15) days after the date of sending of the Company's notice.

(b) From and after the one year anniversary of the date of this Agreement, the holders of Registrable Securities will be entitled to request six (6) Demand Registrations, each of which may be an underwritten registration or a Shelf Registration to remain effective for up to six months; provided, however, that the New Investors shall not be entitled to request an additional Demand Registration as long as the Company maintains an effective Shelf Registration covering all Registrable Securities held by the New Investors or their transferees until the five year anniversary of the date of this Agreement and otherwise complies with the terms of this Agreement. Demand Registrations requested under the Original Registration Agreement, the MLVA Registration Agreement, the Scio Registration Rights Agreement, the Kensington Registration Rights Agreement, and the Aspen Registration Rights Agreement shall be included in the definition of Demand Registrations for purposes of determining the number of Demand Registrations permitted under this Section 2(b) as long as the New Investors have the right to include their Registrable Securities in such registrations.

(c) The New Investors and any of their transferees participating in the Demand Registration will pay all Registration Expenses (as defined in Section 8) in connection with such Demand Registration in proportion to the amount of Registrable Securities held by each New Investor or transferee participating in the Demand Registration.

(d) A registration will not count as one of the Demand Registrations unless the holders of Registrable Securities are able to register and in fact sell at least 75% of the Registrable Securities requested to be included in such registration.

(e) Until the three year anniversary of the date of this Agreement, the Company will not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the holders of a majority of the shares of Registrable Securities included in such registration. If a Demand Registration or a Water Oak Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering, exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner

in such offering within a price range acceptable to Water Oak or the holders of a majority of the Registrable Securities initially requesting registration, as the case may be, the Company will (i) in the case of a Demand Registration, include in such registration prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested to be included which in the opinion of such underwriters can be sold in an orderly manner within the price range of such offering, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder and (ii) in the case of a Water Oak Registration, the Company will include in such registration first, the number of Water Oak Shares requested to be included and second, the number of Registrable Securities which in the opinion of such underwriters can be sold in an orderly manner within the price range of such offering, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder.

(f) In the case of an underwritten offering, the holders of a majority of the then outstanding shares of Registrable Securities or, in the case of a Water Oak Registration, Water Oak, will have the right to select the investment banker(s) and manager(s) to administer the offering, subject to the Company's approval which will not be unreasonably withheld.

3. ADDITIONAL SHELF REGISTRATIONS.

(a) In addition to their rights set forth in Section 2, the New Investors may request in writing that the Company register all or part of their Registrable Securities pursuant to an additional Shelf Registration (an "Additional Shelf Registration") at any time from the one year anniversary of the date of this Agreement (the "Shelf Request Date") through the five year anniversary of the date of this Agreement, provided that the Company shall not be required to effect more than one Additional Shelf Registration in any calendar year pursuant to the Registration Rights Agreements. Any request for an Additional Shelf Registration shall specify the number of Registrable Securities to be registered (but not less than the lesser of ten thousand (10,000) shares of Common Stock or all of the New Investors' Registrable Securities). Within ten (10) days after the sending of such request, the Company will give written notice of such requested Additional Shelf Registration to all other holders of Registrable Securities, if any, and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within fifteen (15) days after the date of sending of the Company's notice.

(b) Additional Shelf Registrations shall not count as Demand Registrations; provided, however, that the New Investors shall not be entitled to request an Additional Shelf Registration as long as the Company maintains an effective Shelf Registration covering all Registrable Securities held by the New Investors or their transferees until the five year anniversary of the date of this Agreement and otherwise complies with the terms of this Agreement.

(c) Each New Investor and any of their transferees participating in an Additional Shelf Registration will pay all Registration Expenses in connection with such Additional Shelf Registration in proportion to the amount of Registrable Securities held by each New Investor or transferee participating in the Additional Shelf Registration.

4. FINAL SHELF REGISTRATION.

(a) In addition to their rights set forth in Sections 2 and 3, the New Investors may request in writing that the Company register all or part of their Registrable Securities pursuant to an additional Shelf Registration (a "Final Shelf Registration") at any time after the five year anniversary of the date of this Agreement (the "Shelf Request Date"), provided that the Company shall not be required to effect more than one Final Shelf Registration in any calendar year pursuant to this Agreement. Any request for a Final Shelf Registration shall specify the number of Registrable Securities to be registered (but not less than the lesser of one hundred thousand (100,000) shares of Common Stock or all of the New Investors' Registrable Securities).

(b) Final Shelf Registrations shall not count as Demand Registrations; provided, however, that a New Investor shall not be entitled to request a Final Shelf Registration during any calendar year as long as the Company maintains an effective Shelf Registration covering all Registrable Securities held by the New Investor or his transferees until the end of the relevant calendar year.

(c) Each New Investor and any of their transferees participating in the Final Shelf Registration will pay all Registration Expenses in connection with such Final Shelf Registration in proportion to the amount of Registrable Securities held by each New Investor or transferee participating in the Final Shelf Registration.

(d) Notwithstanding anything to the contrary, the Company shall not be required to register any Registrable Securities pursuant to a Final Shelf Registration if the Company delivers an opinion letter from its counsel stating that the relevant Registrable Securities may be sold to the public in compliance with Rule 144 under the Securities Act (or any similar rule then in force).

5. PIGGYBACK REGISTRATIONS.

(a) Until the date five (5) years after the date of this Agreement, if the Company proposes to register any of its securities under the Securities Act (other than pursuant to (i) a Demand Registration or an Additional Shelf Registration pursuant to the Registration Rights Agreements, (ii) a registration on Form S-4 or any successor form, or (iii) an offering of securities in connection with an employee benefit, stock dividend, stock ownership or dividend reinvestment plan) and the registration form to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company will give prompt written notice to all holders of Registrable Securities of its intention to effect such a registration (each a "Piggyback Notice") and, subject to Sections 5(c) and 5(d) below, the Company will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within fifteen (15) days after the date of sending of the Company's notice (the "Included Registrable Securities"); provided, however, that, at the Company's option, the Company may file a separate registration statement for, and with respect to, Included Registrable Securities in satisfaction of the Company's obligation hereunder.

(b) The Company will pay all Registration Expenses in connection with the Piggyback Registrations.

(c) If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner within a price range acceptable to the Company, the Company will include in such registration (i) first, the securities the Company proposes to sell and (ii) second, the Registrable Securities requested to be included in such Registration and any other securities requested to be included in such registration, pro rata among the holders of Registrable Securities requesting such registration and the holders of such other securities on the basis of the number of shares owned by each such holder.

(d) If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities other than the holders of Registrable Securities, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the holders initially requesting such registration, the Company will include in such registration first, all of the securities requested to be included therein by the holders initially requesting such registration and second, the Registrable Securities requested to be included in such registration pro rata among the holders of such Registrable Securities on the basis of the number of shares owned by each such holder.

(e) In the case of an underwritten Piggyback Registration, the Company will have the right to select the investment banker(s) and manager(s) to administer the offering.

6. HOLDBACK AGREEMENTS. The Company agrees (a) not to effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the 90-day period beginning on the effective date of any underwritten Demand Registration (except pursuant to (i) registrations on Form S-8 or any successor form, (ii) registrations on Form S-4 or any successor form, and (iii) registrations of securities in connection with the Company's dividend reinvestment plan on form(s) applicable to such securities) unless the underwriters managing the registered public offering otherwise agree, and (b) to use its reasonable efforts to obtain agreements from its officers, directors and affiliated stockholders (including, without limitation, each holder of more than five percent (5%) of the outstanding Common Stock), to agree not to effect any public sale or distribution (including sales pursuant to Rule 144) of any such securities during such period (except as part of such underwritten registration, if otherwise permitted), unless the underwriters managing the registered public offering otherwise agree.

7. REGISTRATION PROCEDURES. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company will use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof and pursuant thereto the Company will as expeditiously as possible:

(a) prepare and file with the Securities and Exchange Commission a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective and, in the case of an Additional Shelf Registration, remain effective for a period of ninety days (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to the counsel selected by the holders of a majority of the Registrable Securities covered by such registration statement copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel);

(b) prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for the period required by the intended method of disposition or to describe the terms of any offering made from an effective Shelf Registration, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(c) furnish to each seller of Registrable Securities such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) use its best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 7(d), (ii) subject itself to taxation in any such jurisdiction, (iii) consent to general service of process in any such jurisdiction, or (iv) qualify such Registrable Securities in a given jurisdiction where expressions of investment interest are not sufficient in such jurisdiction to reasonably justify the expense of qualification in the jurisdiction or where such qualification would require the Company to register as a broker or dealer in such jurisdiction).

(e) notify each seller of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any material fact necessary to make the statements therein not misleading, and, at the request of any such seller, the Company will prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading;

(f) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and to be qualified for trading on each system on which similar securities issued by the Company are from time to time qualified;

(g) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement and thereafter maintain such a transfer agent and registrar;

(h) enter into such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the shares of Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(i) make available for inspection by any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such underwriter, attorney, accountant or agent in connection with such registration statement;

(j) otherwise use its best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(k) permit any holder of Registrable Securities which holder, in its sole and exclusive judgment, might be deemed to be an underwriter or a controlling person of the Company, to participate in the preparation of such registration or comparable statement and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of such holder and its counsel should be included;

(l) make available appropriate management personnel for participation in the preparation and drafting of such registration or comparable statement, for due diligence meetings;

(m) provided the registration statement covers at least four hundred thousand (400,000) shares of Common Stock, make available appropriate management personnel for participation in "road show" meetings;

(n) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any common stock included in such registration statement for sale in any jurisdiction, the company will use its reasonable best efforts to promptly obtain the withdrawal of such order; and

(o) use reasonable efforts to obtain a cold comfort letter from the Company's independent public accountants addressed to the selling holders of Registrable Securities in customary form and covering such matters of the type customarily covered by cold comfort letters as the holders of a majority of the Registrable Securities being sold reasonably request.

Each New Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 7(e) or (n) hereof, such New Investor will forthwith discontinue disposition of shares of Common Stock pursuant to a Demand, Piggyback, or Final Shelf Registration until receipt of the copies of an appropriate supplement or amendment to the prospectus under Section 7(e) or until the withdrawal of such order under Section 7(n). If any such registration or comparable statement refers to any holder by name or otherwise as the holder of any securities of the Company and if, in its sole and exclusive judgment, such holder is or might be deemed to be a controlling person of the Company, such holder shall have the right to require (i) the insertion therein of language, in form and substance satisfactory to such holder and presented to the Company in writing, to the effect that the holding by such holder of such securities is not to be construed as a recommendation by such holder of the investment quality of the Company's securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to such holder by name or otherwise is not required by the Securities Act or any similar Federal statute then in force, the deletion of the reference to such holder; provided that with respect to this clause (ii) such holder shall furnish to the Company an opinion of counsel to such effect, which opinion and counsel shall be reasonably satisfactory to the Company.

8. REGISTRATION EXPENSES. The term "Registration Expenses" means all expenses incident to the Company's performance of or compliance with this agreement, including, without limitation, all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding underwriting discounts and commissions which shall always be paid by the selling stockholders out of the proceeds of the offering) and other Persons retained by the Company.

9. SUBSEQUENT HOLDERS. The Company and each New Investor hereby agree that any subsequent holder of Registrable Securities shall be entitled to all benefits hereunder as a holder of Registrable Securities; provided, however, that, in any event, if the Company's Charter prohibits the acquisition of the desired number of shares by such holder, such number shall be reduced to the amount of shares of Registrable Securities such holder may acquire and such holder's transferees shall also be entitled to all benefits hereunder as a holder of Registrable Securities.

10. INDEMNIFICATION.

(a) The Company agrees to indemnify, to the extent permitted by law, each holder of Registrable Securities, its officers, directors and trustees and each Person who controls (within the meaning of the Securities Act) such holder against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished to the

Company in writing by such holder expressly for use therein or by such holder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such holder with a sufficient number of copies of the same. In connection with an underwritten offering, the Company will indemnify such underwriters, their officers and directors and each Person who controls (within the meaning of the Securities Act) such underwriters to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

(b) In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder will furnish to the Company in writing such information as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, will indemnify the Company, its directors and officers and each Person who controls (within the meaning of the Securities Act) the Company against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information so furnished in writing by such holder; provided that the obligation to indemnify will be individual to each holder.

(c) Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other such indemnified parties with respect to such claim.

(d) The indemnification provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the transfer of securities. The Company also agrees to make such provisions, as are reasonably requested by any indemnified party, for contribution to such party in the event the Company's indemnification is unavailable for any reason.

11. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS. No Person may participate in any registration hereunder which is underwritten unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided that no holder of Registrable Securities included in any underwritten registration shall be required to make any representations or

warranties to the Company or the underwriters other than representations and warranties regarding such holder and such holder's intended method of distribution.

12. LISTING REQUIREMENTS. The Company hereby agrees to cause all Registrable Securities to be promptly listed on each securities exchange on which similar securities issued by the Company are listed and to be qualified for trading on each system on which similar securities issued by the Company are from time to time qualified.

13. REPORTS AND INFORMATION. The Company hereby agrees to provide to the New Investors copies of all documents distributed to the Company's shareholders.

14. MISCELLANEOUS.

(a) The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the holders of Registrable Securities in this Agreement.

(b) The Company will not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement or which would materially and adversely affect the marketability of such Registrable Securities in any such registration (including, without limitation, effecting a stock split or a combination of shares) provided that this subsection (b) shall not apply to actions or changes with respect to the Company's business, earnings or revenues where the effect of such actions or changes on the Registrable Securities is merely incidental.

(c) Any Person having rights under any provision of this Agreement will be entitled to enforce such rights specifically to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(d) Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and holders of a majority of the then outstanding shares of Registrable Securities. However, the Company may unilaterally amend this Agreement to provide (i) that other holders of Registrable Securities shall be added as parties to this Agreement and included within the definition of "New Investors" or (ii) that Registrable Securities held by any holder shall be included within the definition of "Registrable Securities".

(e) Subject to Section 9 hereof, all covenants and agreements in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made but subject in any case to Section 9 hereof, the provisions of this Agreement which are for the benefit of purchasers or holders

of Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities.

(f) Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(g) This Agreement may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(h) The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(i) The corporate laws of the State of Maryland will govern all questions concerning the relative rights of the Company or its stockholders and the laws of Michigan will govern all questions concerning the relative rights of holders of Common OP Units. All other questions concerning the construction, validity and interpretation of this Agreement will be governed by and construed in accordance with the domestic laws of the State of Michigan, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Michigan or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Michigan. This Section 14(i) shall not be interpreted as granting exclusive jurisdiction to the States of Michigan and Maryland.

(j) All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, sent to the recipient by reputable express courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid. Such notices, demands and other communications will be sent to each New Investor at the address indicated on the records of the Company and to the Company at the address indicated below:

31700 Middlebelt Road
Suite 145
Farmington Hills, Michigan 48334

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date set forth above.

SUN COMMUNITIES, INC.,
a Maryland corporation

By: Jonathan Molin

Its: Sr. VP - Acquisitions

"NEW INVESTORS"

Donald L. Smith

Donald L. Smith

S&K SMITH CO.,
a Michigan co-partnership

By: Keith D. Smith

Its: Keith D. Smith, Partner

EXHIBIT 10.30

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into on this 13th day of June, 1996, effective as of January 1, 1996, by and between SUN COMMUNITIES, INC., a Maryland corporation (the "Company"), and JEFFREY P. JORISSEN (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company desires to continue the employment of the Executive, 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, 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 of employment hereunder, the Executive shall serve as Senior Vice President, Treasurer, Chief Financial Officer and Secretary of the Company, and shall do and perform diligently all such services, acts and things as are customarily done and performed by such officers of companies in similar business and in size to the Company, together with such other duties as may reasonably be requested from time to time by the Board of Directors of the Company (the "Board"), which duties shall be consistent with the Executive's positions 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 Company, as they may be amended from time to time.

2. Term of Employment.

Subject to the provisions for termination provided below, the term of the Executive's employment under this Agreement shall commence on January 1, 1996 and shall continue thereafter for a period of three (3) years ending on December 31, 1998.

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 during the term of this Agreement.

4. Compensation.

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

(b) Base Compensation. As compensation for the services to be performed hereafter, the Company shall pay to the Executive, during his employment hereunder, a base salary (the "Base Salary") payable in accordance with the Company's usual pay practices (and in any event no less frequently than monthly) at the rate of One Hundred Fifty Seven Thousand Five Hundred Dollars ($157,500.00) per year.

(c) Annual Salary Increase. On September 1 of each year, commencing September 1, 1996, the Base Salary shall be increased by five percent (5%) of the Base Salary for the immediately prior year or such greater increase as may be deemed appropriate by the Board of Directors of the Company, in its sole discretion.

(d) Bonus. The Board shall prepare and adopt an executive bonus plan (the "Bonus Plan") which shall be established for the payment of an incentive bonus to the Executive based on the Company achieving certain performance criteria to be established by the Company and the Executive. Upon adoption, a copy of the Bonus Plan shall be attached to this Agreement and incorporated herein, and the Executive shall be eligible to receive an award under the Bonus Plan on the terms and conditions set forth in that document; provided, however, that such bonus shall not exceed fifty percent (50%) of the Executive's then current Base Salary.

(e) 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 continue to receive his full Base Salary, bonuses and other benefits at the rate in effect for such period until his employment is terminated by the Company pursuant to paragraph 7(a)(iii) hereof; provided, however, that payments so made to the Executive during the Disability Period shall be reduced by the sum of the amounts, if any, which were paid to the Executive at or prior to the time of any such payment under disability benefit plans of the Company.

5. Benefits.

(a) Insurance. The Company shall provide to the Executive life, medical and hospitalization insurance for himself, his spouse and eligible family members as may be determined by the Board to be consistent with the Company's standard policies.

(b) Benefit Plans. The Executive, at his election, may participate, during his employment hereunder, in all retirement plans, 401(K) plans and other benefit 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). The Executive shall also be entitled to participate in any equity, stock option or other employee benefit plan that is generally available to senior executives, as distinguished from general management, of the

Company. 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.

(c) Annual Vacation. The Executive shall be entitled to four (4) weeks vacation time each year without loss of compensation which shall be scheduled with the advance approval of the Company. In the event that the Executive is unable for any reason to take the total amount of vacation time authorized herein during any year, he may accrue such unused time and add it to the vacation time for any following year; provided, however, that no more than ten (10) days of accrued vacation time may be carried over at any time (the "Carry-Over Limit"). In the event that the Executive has accrued and unused vacation time in excess of the Carry-Over Limit (the "Excess Vacation Time"), the Excess Vacation Time shall be paid to the Executive within ten (10) days of the end of the year in which the Excess Vacation Time was earned based on the Base Salary then in effect. Upon any termination of this Agreement for any reason whatsoever, accrued and unused vacation time shall be paid to the Executive within ten (10) days of such termination based on the Base Salary in effect on the date of such termination; provided, however, that no more than twenty (20) days of accrued vacation time may be carried over at any time.

6. Reimbursement of Business Expenses.

The Company shall reimburse the Executive or provide him with an expense allowance during the term of this Agreement for travel, car telephone, and other expenses reasonably and necessarily incurred by the Executive in connection with the Company's business. The Executive shall furnish such documentation with respect to reimbursement to be paid hereunder as the Company shall reasonably request.

7. Termination of Employment.

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

(i) by either the Executive or the Company at any time for any reason whatsoever or for no reason upon not less than thirty (30) days written notice;

(ii) by the Company at any time for "cause" as defined below, without prior notice;

(iii) by the Company upon the Executive's "permanent disability" as defined below, without prior notice; and

(iv) upon the Executive's death.

(b) For purposes hereof, for "cause" shall mean the material breach of any provision of this Agreement by the Executive, or any action of the Executive (or the Executive's failure to act), which, in the reasonable determination of the Board, involves malfeasance, fraud, or moral turpitude, or which, if generally known, would or might have a material adverse effect on the Company and/or its reputation.

(c) For purposes hereof, the Executive's "permanent disability"

shall be deemed to have occurred after one hundred eighty (180) consecutive days during which the Executive, by reason of his physical or mental disability or illness, shall have been unable to discharge his duties under this Agreement. The date of permanent disability shall be such one hundred eightieth (180th) day. In the event either the Company or the Executive, after receipt of notice of the Executive's permanent disability from the other, disputes that the Executive's permanent disability shall have occurred, the Executive shall promptly submit to a physical examination by the chief of medicine of any major accredited hospital in Michigan and, unless such physician shall issue his written statement to the effect that in his opinion, based on his diagnosis, the Executive is capable of resuming his employment and devoting his full time and energy to discharging his duties within thirty (30) days after the date of such statement, such permanent disability shall be deemed to have occurred.

8. Compensation Upon Termination or Disability.

(a) In the event that the Company terminates the Executive's employment under this Agreement without "cause" pursuant to paragraph 7(a)(i) hereof, the Executive shall be entitled to a portion of any unpaid salary, bonus and benefits accrued and earned by him hereunder up to and including the effective date of such termination and the Company shall pay the Executive monthly an amount equal to one-twelfth (1/12) of the Base Salary in effect on the date of such termination for a period of up to eighteen (18) months if the Executive fully complies with paragraph 12 of this Agreement (the "Severance Payment"). Notwithstanding the foregoing, the Company, in its sole discretion, may elect to make the Severance Payment to the Executive in one lump sum due within thirty (30) days of the Executive's termination of employment.

(b) In the event of termination of the Executive's employment under this Agreement for "cause" or if the Executive voluntarily terminates his employment hereunder, the Executive shall be entitled to no further compensation or other benefits under this Agreement, except only as to any unpaid salary, bonus and benefits accrued and earned by him hereunder up to and including 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, the Executive (or his successors and assigns in the event of his death) shall be entitled to a portion of any unpaid salary, bonus and benefits accrued and earned by him hereunder up to and including the effective date of such termination and the Company shall pay the Executive monthly an amount equal to one-twelfth (1/12) of the Base Salary in effect on the date of such termination for a period of up to twenty four (24) months if the Executive fully complies with paragraph 12 of this Agreement (the "Disability Payment"); provided, however, that payments so made to the Executive shall be reduced by the sum of the amounts, if any, which were paid to the Executive at or prior to the time of any such payment under disability benefit plans of the Company. Notwithstanding the foregoing, the Company, in its sole discretion, may elect to make the Disability Payment to the Executive in one lump sum due within thirty (30) days of the Executive's termination of employment.

(d) In the event that, other than by mutual agreement of the Company and the Executive, the Company fails or refuses to renew this Agreement on terms and conditions no less favorable to the Executive as the terms and conditions applicable during the last year of this Agreement, the

Company shall pay to the Executive monthly an amount equal to one-twelfth (1/12) of the Base Salary in effect on the date of such failure or refusal for a period of up to twelve (12) months if the Executive fully complies with paragraph 12 of this Agreement (the "Non-Renewal Payment"). Notwithstanding the foregoing, the Company, in its sole discretion, may elect to make the Non-Renewal Payment to the Executive in one lump sum due within thirty (30) days of the Executive's termination of employment.

(e) Regardless of the reason for termination of the Executive's employment hereunder, bonuses and benefits shall be prorated and paid for any period of employment not covering an entire year of employment.

(f) Notwithstanding anything to the contrary in this paragraph 8, the Company's obligation to pay, and the Executive's right to receive, any compensation under this paragraph 8, including, without limitation, the Severance Payment and the Disability Payment, shall terminate upon the Executive's breach of any provision of paragraph 12 hereof. In addition, the Executive shall promptly forfeit any compensation received from the Company under this paragraph 8, including, without limitation, the Severance Payment and the Disability Payment, upon the Executive's breach of any provision of paragraph 12 hereof.

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 or directorships held by the Executive in the Company and/or any of the Affiliates (as defined below). In addition, upon any termination of the Executive's employment under this Agreement, the Executive shall transfer one-half (1/2) of his stock in Sun Home Services, Inc., a Michigan corporation, to each of Milton M. Shiffman and Gary A. Shiffman.

10. Effect of the Company's Merger, Transfer of Assets, or Dissolution. In the event of any voluntary or involuntary dissolution of the Company resulting from either a merger or consolidation in which the Company is not the consolidated or surviving corporation, or a transfer of all or substantially all of the assets of the Company, pursuant to which the Executive's employment under this Agreement is terminated, the Company shall pay to the Executive, immediately prior to such merger, consolidation, or transfer of assets, an amount equal to the sum of (a) the portion of any unpaid salary, bonus and benefits accrued and earned by the Executive hereunder up to and including the effective date of such change in control; and (b) the greater of (i) an amount equal to two (2) years' Base Salary at the rate in effect on the date of such termination; or (ii) the full Base Salary and other benefits (excluding any bonus) which would otherwise have been paid to the Executive for the remainder of the term of this Agreement.

11. Stock Options. In the event of termination of the Executive's employment under this Agreement for "cause", 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 1993 Stock Option Plan. In the event that the Company terminates the Executive's employment under this Agreement without "cause" 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; provided, however, that such options and other stock based compensation cannot be exercised until the expiration of the eighteen (18) month period referenced in

paragraph 12 hereof and such stock options or other stock based compensation shall be automatically forfeited upon the Executive's breach of any of the provisions of paragraph 12 hereof. Any Stock Option Agreements between the Company and the Executive shall be amended to conform to the provisions of this paragraph 11.

12. Covenant Not To Compete and Confidentiality.

(a) The Executive acknowledges the Company's reliance and expectation of the Executive's continued commitment to performance of his duties and responsibilities under this Agreement. In light of such reliance and expectation on the part of the Company, the Executive agrees that:

(i) for a period commencing on the date of this Agreement and ending upon the expiration of eighteen (18) months following the termination of the Executive's employment under this Agreement for any reason, the Executive shall not, 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 or otherwise) any corporation, firm or enterprise which is engaged in (A) the real estate business (the "Real Estate Business"), including, without limitation, the development, ownership, leasing, sales, management or financing of single family or multi-family housing, condominiums, townhome communities or other form of housing, or (B) any business which is competitive with the business then or at any time during the term of this Agreement conducted or proposed to be conducted by the Company, or any corporation owned or controlled by the Company or under common control with the Company ("Affiliate"), anywhere within the continental United States or Canada;

(ii) the Executive will not at any time, for so long as any Confidential Information (as defined below) shall remain confidential or otherwise remain wholly or partially protectable, either during the term of this Agreement or thereafter, use or disclose, directly or indirectly, to any person outside of the Company or any Affiliate any Confidential Information;

(iii) promptly upon the termination of this Agreement for any reason, the Executive (or in the event of the Executive's death, his personal representative) shall return to the Company any and all copies (whether prepared by or at the direction of the Company or the Executive) of all records, drawings, materials, memoranda and other data constituting or pertaining to Confidential Information;

(iv) for a period commencing on the date of this Agreement and ending upon the expiration of eighteen (18) months from the termination of this Agreement for any reason, the Executive shall not 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; and

(v) for a period commencing on the date of this Agreement and ending upon the expiration of eighteen (18) months from the termination of this Agreement for any reason, the Executive shall not, either directly or indirectly, induce or attempt to induce any person with whom the Executive was acquainted while in the Company's employ to leave the employment of the Company or any of the Affiliates.

As used in this Agreement, the term "Confidential Information" shall mean all business information of any nature and in any form which at the time or times concerned is not generally known to those persons engaged in business similar to that conducted or contemplated by the Company or any Affiliate (other than by the act or acts of an employee not authorized by the Company to disclose such information) and which relates to any one or more of the aspects of the present or past business of the Company or any of the Affiliates or any of their respective predecessors, including, without limitation, patents and patent applications, inventions and improvements (whether or not patentable), development projects, policies, processes, formulas, techniques, know-how, and other facts relating to sales, advertising, promotions, financial matters, customers, customer lists, customer purchases or requirements, and other trade secrets.

(b) The Executive agrees and understands that the remedy at law for any breach by him of this paragraph 12 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 this paragraph 12, the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach. Nothing in this paragraph 12 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 this paragraph 12 which may be pursued or availed of by the Company.

13. Arbitration. Any dispute or controversy arising out of or relating to this Agreement shall be settled finally and exclusively by arbitration in the State of Michigan in accordance with the rules of the American Arbitration Association then in effect. Such arbitration shall be conducted by an arbitrator(s) appointed by the American Arbitration Association in accordance with its rules and any finding by such arbitrator(s) shall be final and binding upon the parties. Judgment upon any award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof, and the parties consent to the jurisdiction of the courts of the State of Michigan for this purpose. Nothing contained in this paragraph 13 shall be construed to preclude the Company from obtaining injunctive or other equitable relief to secure specific performance or to otherwise prevent a breach or contemplated breach of this Agreement by the Executive as provided in paragraph 12 hereof.

14. Notice. All notices, requests, consents and other communications, required or permitted to be given hereunder to be given under this Agreement shall be personally delivered in writing or shall have been deemed duly given when received after it is posted in the United States mail, postage prepaid, registered or certified, return receipt requested addressed as follows:

If to the Company:

Sun Communities. Inc.
31700 Middlebelt Road, Suite 145
Farmington Hills, Michigan 48334
Attn: Gary A. Shiffman, President

If to the Executive:

Jeffrey P. Jorissen
26165 Northpointe Drive
Farmington Hills, Michigan 48331

In all events, with a copy to:

Jaffe, Raitt, Heuer & Weiss,
Professional Corporation
One Woodward Avenue, Suite 2400
Detroit, Michigan 48226
Attn: Arthur A. Weiss

15. 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) The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding on, the Company and its successors and assigns, and the rights and obligations (other than obligations to perform services) of the Executive under this Agreement shall inure to the benefit of, and shall be binding upon, the Executive and his heirs, personal representatives and assigns. This Agreement is personal to Executive and he may not assign his obligations under this Agreement in any manner whatsoever.

(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) This Agreement supersedes all agreements and understandings between the parties and may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(e) This Agreement shall be governed by and construed according to the laws of the State of Michigan.

(f) Captions and paragraph headings used herein are for convenience and are not a part of this Agreement and shall not be used in construing it.

(g) 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.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the date first written above.

COMPANY:

SUN COMMUNITIES, INC.,
a Maryland corporation

By: /s/ Gary A. Schiffman

Gary A. Shiffman, President

EXECUTIVE:

/s/ Jeffery P. Jorissen

JEFFREY P. JORISSEN

EXHIBIT 12.1

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED DIVIDENDS

The ratio of earnings to fixed charges for the Company (including its predecessor-in-interest, Sundance Enterprises, Inc., the Sun Partnerships and its subsidiaries and majority-owned partnerships) presents the relationship of the Company's earnings to its fixed charges. "Earnings" as used in the computation, is based on the Company's net income (loss) from continuing operations (which includes a charge to income for depreciation and amortization expense) before income taxes, plus fixed charges. "Fixed charges" is comprised of (i) interest charges, whether expensed or capitalized, and (ii) amortization of loan costs and discounts or premiums relating to indebtedness of the Company and its subsidiaries and majority-owned partnerships, excluding in all cases items which would be or are eliminated in consolidation.

The Company's ratio of earnings to combined fixed charges presents the relationship of the Company's earnings (as defined above) to fixed charges (as defined above).

	Year Ended December 31			
	1996	1995	1994	1993
	(unaudited in thousands)			
Earnings:				
Net income (loss)	$21,953(1)	$13,591	$8,924	$288
Add fixed charges other than capitalized interest	1,277	6,420	4,894	5,280
	$33,230	$20,011	$13,818	$5,568
Fixed Charges:				
Interest expense	$11,277	$6,420	$4,894	$5,280
Preferred OP Unit distribution	1,670	-	-	-
Capitalized interest	380	192	58	-
Total fixed charges	$13,327	$6,612	$4,952	$5,280

- ----------

(1) Before Extraordinary Item

EXHIBIT 21

LIST OF SUBSIDIARIES

Sun Communities Operating Limited Partnership, a Michigan limited partnership

Sun Communities Finance Limited Partnership, a Michigan limited partnership

Sun Home Services, Inc., a Michigan corporation

Sun Management, Inc., a Michigan corporation

Manufactured Home Lending Corporation, a Michigan corporation

Sun QRS, Inc., a Michigan corporation

Sun Florida QRS, Inc., a Michigan corporation

Sun Water Oak Golf, Inc., a Michigan corporation

Sun Texas QRS, Inc., a Michigan corporation

Sun Communities Texas Limited Partnership, a Michigan limited partnership

8920 Associates, a Florida partnership

Miami Lakes Venture Associates, a Florida partnership

Sun Communities Alberta Limited Partnership, a Michigan limited partnership

Family Retreat, Inc., a Michigan corporation

Sun GP L.L.C., a Michigan limited liability company

Aspen-West Michigan Holdings L.L.C., a Michigan limited liability company

Aspen-Alpine Limited Partnership, a Michigan limited partnership

Aspen-Bedford Investment Limited Partnership, a Michigan limited partnership

Aspen Brentwood Holdings L.L.C., a Michigan limited liability company

Byron Center Mobile Village, a Michigan limited partnership

Aspen-Country Acres Investment Limited Partnership, a Michigan limited partnership

Aspen-Cutler Investment Limited Partnership, a Michigan limited partnership

Aspen-Grand Holdings L.L.C., a Michigan limited liability company

Aspen-Kings Investment Limited Partnership, a Michigan limited partnership

Aspen-Lincoln Investment Limited Partnership, a Michigan limited partnership

Aspen-Town & Country Investment Limited Partnership, a Michigan limited partnership

Aspen-Allendale Project Limited Partnership, a Michigan limited partnership

Aspen-Presidential Project Limited Partnership, a Michigan limited partnership

Aspen-Alpine Project Limited Partnership, a Michigan limited partnership

Bedford Hills Mobile Village, a Michigan limited partnership

Aspen-Brentwood Project Limited Partnership, a Michigan limited partnership

Aspen-Byron Project Limited Partnership, a Michigan limited partnership

Aspen-Country Project Limited Partnership, a Michigan limited partnership

Aspen-Cutler Associates, a Michigan limited partnership

Aspen-Grand Project Limited Partnership, a Michigan limited partnership

Aspen-Kings Court Limited Partnership, a Michigan limited partnership

Aspen-Holland Estates Limited Partnership, a Michigan limited partnership

Aspen-Town & Country Associates II Limited Partnership, a Michigan limited partnership

Aspen-Paradise Park II Limited Partnership, an Illinois limited partnership

Aspen-Arbor Terrace L.P., a Florida limited partnership

Aspen-Bonita Lake Resort Limited Partnership, a Florida limited partnership

Aspen-Breezy Project Limited Partnership, a Florida limited partnership

Aspen-Indian Project Limited Partnership, a Florida limited partnership

Aspen-Siesta Bay Limited Partnership, a Florida limited partnership

Aspen-Silver Star II Limited Partnership, a Florida limited partnership

Aspen-Ft. Collins Limited Partnership, a Colorado limited partnership

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Sun Communities, Inc. on Forms S-3 (File No. 33-95694; File No. 333-152; File No. 333-1822; File No. 333-2522; File No. 333-3268; File No. 333-11911; File No. 333-14595; File No. 333-19855; File No. 333-23537) and on Form S-8 (File No. 333-11923) of our report dated February 25, 1997, on our audits of the consolidated financial statements and financial statement schedule of Sun Communities, Inc. as of December 31, 1996 and 1995, and for the years ended December 31, 1996, 1995, and 1994, which report is included in this Annual Report on Form 10-K.

/s/ Coopers & Lybrand L.L.P.

Coopers & Lybrand L.L.P.
Detroit, Michigan
March 27, 1997

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YEAR
DEC-31-1996
JAN-01-1996
DEC-31-1996
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588,813
30,535
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185,000
154
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300,778
585,056
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73,199
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21,624
14,887
0
11,277
21,953
0
21,953
0
(6,896)
0
11,704
1.35
1.35

EPS excludes extraordinary loss of $.50 per share.