

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

FORM 10-K/A  
(Amendment No. 1)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Commission File No. 1-12616

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

STATE OF MARYLAND  
State of Incorporation

38-2730780  
I.R.S. Employer I.D. No.

31700 MIDDLEBELT ROAD  
SUITE 145  
FARMINGTON HILLS, MICHIGAN 48334  
(248) 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.

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  
    ---    ---

Indicate by check mark whether the Registrant is an accelerated filer  
(as defined in Rule 12b-2 of the Act).

Yes    X    No  
    ---    ---

As of June 30, 2002, the aggregate market value of the Registrant's  
stock held by non-affiliates was approximately \$696,000,000. As of March 3,  
2003, the aggregate market value of the Registrant's voting stock held by  
non-affiliates of the Registrant was approximately \$581,000,000. As of March 3,  
2003, there were 18,107,102 shares of the Registrant's common stock issued and  
outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's definitive Proxy Statement to be filed for its 2003 Annual Meeting of Shareholders are incorporated by reference into Part III of this Report.

EXPLANATORY NOTE

Sun Communities, Inc. (the "Company") amends its Annual Report on Form 10-K for the fiscal year ended December 31, 2002, which was originally filed with the Securities and Exchange Commission on March 31, 2003 (the "Annual Report"), to include, as Exhibit 99.4, the audited financial statements of its subsidiary, Sun Home Services, Inc.

The Company is also amending this Annual Report to update the Exhibit List of Item 15 to reflect the filing of Exhibit 99.4 with this amendment. Exhibit 23 has also been revised to include the consent of PricewaterhouseCoopers LLP as the independent auditor performing the audit on Sun Home Services, Inc.'s financial statements. Except as described above, no other changes have been made to the Annual Report. This amendment continues to speak as of the date of the original Annual Report without an update by the Company of any of the disclosures contained therein to reflect any events which occurred at a later date. In addition, as required by Rule 12b-15 of the Securities Exchange Act of 1934, the registrant's principal executive officer and principal financial officer are providing new certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 in connection with this amendment and are also furnishing, but not filing, written statements pursuant to Title 18 United States Code Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002. The filing of this amendment shall not be deemed an admission that the original filing, when made, included any untrue statement of a material fact or omitted to state a material fact necessary to make a statement not misleading.

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.

Dated: April 14, 2003

SUN COMMUNITIES, INC.

By: /s/ Gary A. Shiffman

-----  
Gary A. Shiffman, Chief Executive Officer

CERTIFICATIONS

(As Adopted Under Section 302 of the Sarbanes-Oxley Act of 2002)

I, Gary A. Shiffman, certify that:

1. I have reviewed this amendment to the annual report on Form 10-K/A of Sun Communities, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: April 14, 2003

/s/ Gary A. Shiffman

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Gary A. Shiffman, Chief Executive Officer

CERTIFICATIONS

(As Adopted Under Section 302 of the Sarbanes-Oxley Act of 2002)

I, Jeffrey P. Jorissen, certify that:

1. I have reviewed this amendment to the annual report on Form 10-K/A of Sun Communities, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: April 14, 2003

/s/ Jeffrey P. Jorissen

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Jeffrey P. Jorissen, Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----	METHOD OF FILING -----
2.1	Form of Sun Communities, Inc.'s Common Stock Certificate	(1)
3.1	Amended and Restated Articles of Incorporation of Sun Communities, Inc	(1)
3.2	Bylaws of Sun Communities, Inc.	(2)
4.1	Indenture, dated as of April 24, 1996, among Sun Communities, Inc., Sun Communities Operating Limited Partnership (the "Operating Partnership") and Bankers Trust Company, as Trustee	(3)
4.2	Form of Note for the 2001 Notes	(3)
4.3	Form of Note for the 2003 Notes	(3)
4.4	First Supplemental Indenture, dated as of August 20, 1997, by and between the Operating Partnership and Bankers Trust Company, as Trustee	(7)
4.5	Form of Medium-Term Note (Floating Rate)	(7)
4.6	Form of Medium-Term Note (Fixed Rate)	(7)
4.7	Articles Supplementary of Board of Directors of Sun Communities, Inc. Designating a Series of Preferred Stock and Fixing Distribution and other Rights in such Series	(9)
4.8	Articles Supplementary of Board of Directors of Sun Communities, Inc. Designating a Series of Preferred Stock	(11)
10.1	Second Amended and Restated Agreement of Limited Partnership of Sun Communities Operating Limited Partnership	(6)
10.2	Second Amended and Restated 1993 Stock Option Plan	(10)
10.3	Amended and Restated 1993 Non-Employee Director Stock Option Plan	(6)
10.4	Form of Stock Option Agreement between Sun Communities, Inc. and certain directors, officers and other individuals#	(1)
10.5	Form of Non-Employee Director Stock Option Agreement between Sun Communities, Inc. and certain directors#	(4)
10.6	Employment Agreement between Sun Communities, Inc. and Gary A. Shiffman#	(6)
10.7	Amended and Restated Loan Agreement between Sun Communities Funding Limited Partnership and Lehman Brothers Holdings Inc.	(7)
10.8	Amended and Restated Loan Agreement among Miami Lakes Venture Associates, Sun Communities Funding Limited Partnership and Lehman Brothers Holdings Inc.	(7)
10.9	Form of Indemnification Agreement between each officer and director of Sun Communities, Inc. and Sun Communities, Inc.	(7)
10.10	Loan Agreement among the Operating Partnership, Sea Breeze Limited Partnership and High Point Associates, LP.	(7)
10.11	Option Agreement by and between the Operating Partnership and Sea Breeze Limited Partnership	(7)
10.12	Option Agreement by and between the Operating Partnership and High Point Associates, LP	(7)
10.13	Stock Pledge Agreement between Gary A. Shiffman and the Operating Partnership for 94,570 shares of Common Stock	(5)
10.14	Stock Pledge Agreement between Gary A. Shiffman and the Operating Partnership for 305,430 shares of Common Stock	(5)
10.15	Stock Pledge Agreement between Gary A. Shiffman and the Operating Partnership with respect to 80,000 shares of Common Stock	(7)

EXHIBIT NUMBER -----	DESCRIPTION -----	METHOD OF FILING -----
10.16	Employment Agreement between Sun Communities, Inc. and Jeffrey P. Jorissen#	(9)
10.17	Long Term Incentive Plan	(7)
10.18	Restricted Stock Award Agreement between Sun Communities, Inc. and Gary A. Shiffman, dated June 5, 1998#	(9)
10.19	Restricted Stock Award Agreement between Sun Communities, Inc. and Jeffrey P. Jorissen, dated June 5, 1998#	(9)
10.20	Restricted Stock Award Agreement between Sun. Communities, Inc. and Jonathan M. Colman, dated June 5, 1998#	(9)
10.21	Restricted Stock Award Agreement between Sun Communities, Inc. and Brian W. Fannon, dated June 5, 1998#	(9)
10.22	Sun Communities, Inc. 1998 Stock Purchase Plan#	(9)
10.23	Facility and Guaranty Agreement among Sun Communities, Inc., the Operating Partnership, Certain Subsidiary Guarantors and First National Bank of Chicago, dated December 10, 1998	(9)
10.24	Rights Agreement between Sun Communities, Inc. and State Street Bank and Trust Company, dated April 24, 1998	(8)
10.25	Contribution Agreement, dated as of September 29, 1999, by and among the Sun Communities, Inc., the Operating Partnership, Belcrest Realty Corporation and Belair Real Estate Corporation	(11)
10.26	One Hundred Third Amendment to Second Amended and Restated Limited Partnership Agreement of the Operating Partnership	(11)
10.27	One Hundred Eleventh Amendment to Second Amended and Restated Limited Partnership Agreement of the Operating Partnership	(12)
10.28	One Hundred Thirty-Sixth Amendment to Second Amended and Restated Limited Partnership Agreement of the Operating Partnership	(12)
10.29	One Hundred Forty-Fifth Amendment to Second Amended and Restated Limited Partnership Agreement of the Operating Partnership	(12)
10.30	Restricted Stock Award Agreement between Sun Communities, Inc. and Gary A. Shiffman, dated March 30, 2001#	(12)
10.31	Restricted Stock Award Agreement between Sun Communities, Inc. and Jeffrey P. Jorissen, dated March 30, 2001#	(12)
10.32	Restricted Stock Award Agreement between Sun Communities, Inc. and Jonathan M. Colman, dated March 30, 2001#	(12)
10.33	Restricted Stock Award Agreement between Sun Communities, Inc. and Brian W. Fannon, dated March 30, 2001#	(12)
10.34	Investment Agreement dated July 20, 2001 between SUI TRS, Inc., Shiffman Family LLC, Bingham and Woodward Holdings, LLC, amended by Amendment to Investment Agreement dated August 13, 2001	(12)
10.35	Limited Liability Company Agreement of Origen Financial, L.L.C. dated December 18, 2001 by and among SUI TRS, Inc., Shiffman Family LLC, Bingham and Woodward Holdings LLC	(12)
10.36	Second Amended and Restated Subordinated Loan Agreement, dated December 4, 2002, by and between Origen Financial L.L.C. and the Operating Partnership	(15)
10.37	Subordinated Term Loan Agreement, dated December 4, 2002, by and between Origen Financial L.L.C. and the Operating Partnership	(15)

EXHIBIT NUMBER -----	DESCRIPTION -----	METHOD OF FILING -----
10.38	First Amendment to Second Amended and Restated Subordinated Loan Agreement, dated December 30, 2002, by and between Origen Financial L.L.C. and Sun Home Services	(15)
10.39	First Amendment to Subordinated Term Loan Agreement, dated December 30, 2002, by and between Origen Financial L.L.C. and Sun Home Services	(15)
10.40	Seventh Amended and Restated Promissory Note, dated December 30, 2002, made by Origen Financial L.L.C. in favor of Sun Home Services	(15)
10.41	First Amended and Restated Subordinated Term Promissory Note, dated December 30, 2002, made by Origen Financial L.L.C. in favor of Sun Home Services	(15)
10.42	First Amended and Restated Security Agreement, dated December 30, 2002, by and between Origen Financial L.L.C. and Sun Home Services	(15)
10.43	Second Amended and Restated Stock Pledge Agreement, dated December 30, 2002, by and between Origen Financial L.L.C. and Sun Home Services	(15)
10.44	First Amended and Restated Limited Liability Company Interest Security and Pledge Agreement, dated December 30, 2002, by and between Origen Financial L.L.C. and Sun Home Services	(15)
10.45	Second Amended and Restated Guaranty, dated December 30, 2002, by Bingham in favor of the Operating Partnership	(15)
10.46	Second Amended and Restated Security Agreement, dated December 30, 2002, by and between Bingham and Sun Home Services.	(15)
10.47	Amended and Restated Stock Pledge Agreement, dated December 30, 2002, by and between Bingham and Sun Home Services	(15)
10.48	Amended and Restated Membership Pledge Agreement, dated December 30, 2002, by and between Bingham and Sun Home Services.	(15)
10.49	Second Amended and Restated Participation Agreement, dated December 30, 2002, by and among Sun Home Services, the Milton M. Shiffman Spouse's Marital Trust and Woodward Holding LLC	(15)
10.50	Master Credit Facility Agreement, dated as of May 29, 2002, by and between Sun Secured Financing LLC, Aspen-Ft. Collins Limited Partnership, Sun Secured Financing Houston Limited Partnership and ARCS Commercial Mortgage Co., L.P.	(13)
10.51	Credit Agreement, dated as of July 3, 2002, by and between the Operating Partnership, Sun Communities, Inc., Banc One Capital Markets, Inc., Bank One, N.A. and other lenders which are signatories thereto	(13)
10.52	First Amendment to Master Credit Facility Agreement, dated as of August 29, 2002, by and between Sun Secured Financing LLC, Aspen-Ft. Collins Limited Partnership, Sun Secured Financing Houston Limited Partnership and ARCS Commercial Mortgage Co., L.P.	(14)
10.53	First Amendment to Employment Agreement, dated as of July 15, 2002, by and between Sun Communities, Inc. and Gary A. Shiffman#	(14)
10.54	Second Amended and Restated Promissory Note (Secured), dated as of July 15, 2002, made by Gary A. Shiffman in favor of the Operating Partnership	(14)
10.55	First Amended and Restated Promissory Note (Unsecured), dated as of July 15, 2002, made by Gary A. Shiffman in favor of the Operating Partnership	(14)

EXHIBIT NUMBER -----	DESCRIPTION -----	METHOD OF FILING -----
10.56	First Amended and Restated Promissory Note (Secured), dated as of July 15, 2002, made by Gary A. Shiffman in favor of the Operating Partnership	(14)
10.57	Second Amended and Restated Promissory Note (Unsecured), dated as of July 15, 2002, made by Gary A. Shiffman in favor of the Operating Partnership	(14)
10.58	Second Amended and Restated Promissory Note (Secured), dated as of July 15, 2002, made by Gary A. Shiffman in favor of the Operating Partnership	(14)
10.59	Employment Agreement, dated as of January 1, 2003, by and between Brian W. Fannon and Sun Home Services, Inc.#	(15)
10.60	Employment Agreement, dated as of January 1, 2003, by and between Brian W. Fannon and Sun Communities, Inc.#	(15)
10.61	Lease, dated November 1, 2002, by and between the Operating Partnership as Tenant and American Center LLC as Landlord	(15)
10.62	Term Loan Agreement, dated as of October 10, 2002, among Sun Financial, LLC, Sun Financial Texas Limited Partnership, the Operating Partnership, Sun Communities, Inc. and Lehman Commercial Paper, Inc.	(15)
12.1	Computation of Ratio of Earnings to Fixed Charges and Ratio Earnings to Combined Fixed Charges and Preferred Dividends	(15)
21.1	List of Subsidiaries of Sun Communities, Inc.	(15)
23.1	Independent Auditors' Consent	(15)
23.2	Consent of PricewaterhouseCoopers LLP	(16)
99.1	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	(16)
99.2	Opinion of Jaffe, Raitt, Heuer & Weiss, P.C. with respect to REIT qualification	(15)
99.3	Audited financial statements of Origen Financial L.L.C.	(15)
99.4	Audited financial statements of Sun Home Services, Inc.	(16)

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- (1) Incorporated by reference to Sun Communities, Inc.'s Registration Statement No. 33-69340.
  - (2) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1995.
  - (3) Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K dated April 24, 1996.
  - (4) Incorporated by reference to Sun Communities, Inc.'s Registration Statement No. 33-80972.
  - (5) Incorporated by reference to Sun Communities, Inc.'s Quarterly Report on Form 10-K for the quarter ended September 30, 1995.
  - (6) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1996.
  - (7) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1997.
  - (8) Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-A dated May 27, 1998.



- (9) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1998.
  - (10) Incorporated by reference to Sun Communities, Inc.'s Proxy Statement, dated April 20, 1999
  - (11) Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K dated October 14, 1999.
  - (12) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2001.
  - (13) Incorporated by reference to Sun Communities, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.
  - (14) Incorporated by reference to Sun Communities, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.
  - (15) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2002.
  - (16) Filed herewith.
- # Management contract or compensatory plan or arrangement required to be identified by Form 10-K Item 14.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-54718, File No. 333-86237, File No. 333-64271, File No. 333-14595, File No. 333-45273, File No. 333-72461, File No. 333-30462, File No. 333-72668, File No. 333-82392, File No. 333-19855, File No. 333-36541, File No. 333-1822 and File No. 333-96769) and on Form S-8 (File No. 333-11923, File No. 333-82479, File No. 333-76400, and File No. 333-76398) of Sun Communities, Inc. of our report dated March 12, 2003 relating to the consolidated financial statements of Sun Home Services, Inc. and Subsidiaries which appears in this Form 10-K.

PRICEWATERHOUSECOOPERS LLP  
Detroit, Michigan  
April 12, 2003

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350  
(Adopted Under Section 906 of the Sarbanes-Oxley Act of 2002)

The undersigned officers, Gary A. Shiffman and Jeffrey P. Jorissen, hereby certify that, to their knowledge: (a) this amendment to the Annual Report on Form 10-K/A of Sun Communities, Inc., for the year ended December 31, 2002, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and (b) the information contained in this amendment to the Annual Report on Form 10-K/A fairly presents, in all material respects, the financial condition and results of operations of the issuer.

/s/ Gary A. Shiffman

Dated: April 14, 2003

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Gary A. Shiffman, Chief Executive Officer

/s/ Jeffrey P. Jorissen

Dated: April 14, 2003

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Jeffrey P. Jorissen, Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Sun Communities, Inc. and will be retained by Sun Communities, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

SUN HOME SERVICES, INC. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of  
Sun Home Services, Inc.

In our opinion, based upon our audits and the report of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of operations, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Sun Home Services, Inc. and its subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for the year ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Origen Financial, L.L.C., an investee of the Company, which statements reflect total assets of \$227,748,000 at December 31, 2002 and total revenues of \$20,835,000 for the year ended December 31, 2002. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Origen Financial, L.L.C., is based solely on the report of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

The accompanying consolidated statements of operations, of stockholders' equity and of cash flows of Sun Home Services, Inc. and its subsidiaries for the year ended December 31, 2001 were not audited by us and, accordingly, we do not express an opinion on them.

/s/ PRICEWATERHOUSECOOPERS LLP  
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PRICEWATERHOUSECOOPERS LLP

Detroit, Michigan  
March 12, 2003

SUN HOME SERVICES, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2002 AND DECEMBER 31, 2001

	2002	2001
<b>Assets</b>		
Cash	\$ 4,065,350	\$ 487,104
Accounts receivable	845,918	756,850
Accounts receivable - related party	5,000	105,000
Inventory	14,142,543	12,636,211
Prepaid expenses and other current assets	620,916	391,219
	-----	-----
<b>Total current assets</b>	<b>19,679,727</b>	<b>14,376,384</b>
Property and equipment, net	18,733,261	4,170,793
Investment in equity investee	--	16,069,674
Loan receivable - equity investee	33,559,540	--
Deferred income taxes	2,325,000	1,275,000
Other assets	482,293	389,269
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 74,779,821</b>	<b>\$ 36,281,120</b>
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable	\$ 446,667	\$ 477,002
Accounts payable - related party:		
Interest bearing	33,559,540	--
Noninterest bearing	51,801,254	28,475,438
Line of credit	7,462,882	7,803,273
Accrued liabilities	724,375	467,737
	-----	-----
<b>Total current liabilities</b>	<b>93,994,718</b>	<b>37,223,450</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, voting, \$1 stated par value per share, 30,000 shares authorized, 1,000 shares issued and outstanding	1,000	1,000
Preferred stock, cumulative participating, \$1 stated value per share, 30,000 shares authorized, 100 shares issued and outstanding	100	100
Stock subscription receivable	(1,100)	(1,100)
Additional paid-in capital	662,994	1,452,468
Retained earnings (deficit)	(19,877,891)	(2,394,798)
	-----	-----
<b>Total stockholders' equity (deficit)</b>	<b>(19,214,897)</b>	<b>(942,330)</b>
	-----	-----
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 74,779,821</b>	<b>\$ 36,281,120</b>
	=====	=====

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

SUN HOME SERVICES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001 (unaudited)
<b>Revenues</b>		
Home sales	\$ 20,490,750	\$ 26,399,826
Rental home revenue	1,993,423	306,367
Other income	31,859	9,959
	-----	-----
Total revenues	22,516,032	26,716,152
	-----	-----
<b>Expenses</b>		
Cost of home sales	15,815,521	21,287,106
Rental home	1,768,142	197,976
Selling, general and administrative	7,137,248	6,579,245
Depreciation and amortization	558,551	368,836
Interest	474,263	588,356
	-----	-----
Total expenses	25,753,725	29,021,519
	-----	-----
Loss before loss from equity investee and income taxes	(3,237,693)	(2,305,367)
Loss from equity investee	(15,295,400)	--
	-----	-----
Loss before income taxes	(18,533,093)	(2,305,367)
Income tax benefit	1,050,000	785,000
	-----	-----
Net loss	\$(17,483,093)	\$ (1,520,367)
	=====	=====

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



SUN HOME SERVICES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	Common stock	Preferred stock	Stock subscription receivable	Additional paid-in capital	Retained earnings (deficit)	Total
Balance, January 1, 2001, unaudited	\$1,000	\$100	\$(1,100)	\$ 662,994	\$ (874,431)	\$ (211,437)
Capital contributions				789,474		789,474
Net loss, unaudited					(1,520,367)	(1,520,367)
	-----	----	-----	-----	-----	-----
Balance, December 31, 2001	1,000	100	(1,100)	1,452,468	(2,394,798)	(942,330)
Distributions				(789,474)		(789,474)
Net loss					(17,483,093)	(17,483,093)
	-----	----	-----	-----	-----	-----
Balance, December 31, 2002	\$1,000	\$100	\$(1,100)	\$ 662,994	\$ (19,877,891)	\$ (19,214,897)
	=====	=====	=====	=====	=====	=====

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

SUN HOME SERVICES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001 (UNAUDITED)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$(17,483,093)	\$ (1,520,367)
Adjustments to reconcile net loss to net cash used by operations:		
Depreciation and amortization	558,551	368,836
Deferred income taxes	(1,050,000)	(785,000)
Loss on sale of assets	--	3,998
Loss from equity investee	15,295,400	--
Changes in operating assets and liabilities:		
Accounts receivable	10,932	(102,454)
Inventory	(16,412,026)	(4,764,517)
Prepaid expenses and other current assets	(229,697)	(222,049)
Other assets	(120,201)	328,302
Accounts payable and accrued liabilities	226,303	139,203
	-----	-----
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(19,203,831)</b>	<b>(6,554,048)</b>
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in equity investee	--	(16,069,674)
Advances to equity investee	(33,559,540)	--
Purchases of property and equipment	(237,686)	(424,643)
Proceeds from sale of assets	34,338	134,622
	-----	-----
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(33,762,888)</b>	<b>(16,359,695)</b>
	-----	-----
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from related party	56,885,356	21,233,221
Net borrowing (repayments) under line of credit	(340,391)	1,076,395
Capital contributions	--	789,474
	-----	-----
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>56,544,965</b>	<b>23,099,090</b>
	-----	-----
Net increase in cash	3,578,246	185,347
Cash, beginning of period	487,104	301,757
	-----	-----
Cash, end of period	<b>\$ 4,065,350</b>	<b>\$ 487,104</b>
	=====	=====
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 474,263	\$ 588,356
	=====	=====
<b>SUPPLEMENTAL NON-CASH INVESTING AND OPERATING ACTIVITIES</b>		
Transfer of inventory to property and equipment in connection with the rental home program	\$ 14,905,694	\$ 1,997,576
	=====	=====
Distribution of equity investment to stockholder	\$ 789,474	\$ --
	=====	=====

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Sun Home Services, Inc. (the "Company") sells and rents new and used manufactured homes, manages a golf course, and provides activities and other services for residents living in manufactured home communities throughout the United States. The manufactured home communities are owned by Sun Communities Inc. ("Sun"), a real estate investment trust and the holder of the Company's preferred stock who is entitled to ninety-five percent of the operating cash flow. The Company was initially formed to perform all operations that generate income of a nonqualifying nature for real estate investment trusts. The common stock is owned by one officer of Sun and the estate of a former officer of Sun who collectively are entitled to receive five percent of the operating cash flow.

PRINCIPLES OF CONSOLIDATION

The financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. All material intercompany accounts and transactions have been eliminated.

CASH

Cash includes cash on hand and balances in noninterest-bearing accounts. For the purposes of the statement of cash flows, the Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

REVENUE RECOGNITION/ACCOUNTS RECEIVABLE

Revenue from the sale of manufactured homes is recognized upon transfer of title at the closing of the sales transaction.

Revenue from leasing rental homes is recognized over the term of the lease in accordance with the lease agreement. Lease terms are typically twelve months and are renewable by mutual agreement of the Company and resident.

Accounts receivable consists primarily of receivables from finance and mortgage companies related to the sales of homes.

INVENTORY

Inventory is stated at lower of specific cost or market.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Property and equipment are stated 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 golf courses, improvements, sales offices and building; and 7 to 20 years for rental homes, furniture, equipment, vehicles and signs. Adjustments of the assets and related accumulated depreciation are made in connection with retirements and disposals, and the related gain or loss is included in operations.

INVESTMENT IN EQUITY INVESTEE

Bingham Financial Services Corporation ("BFSC") was formed by Sun in 1997 in response to demand for financing from purchasers and residents in Sun's communities. As BFSC's business developed, its objectives and opportunities expanded and Sun concluded that its business could be operated and grown more effectively as a separate public entity. BFSC's initial public offering occurred in November 1997. In December 2001, Sun, through the Company, made a \$15 million equity investment in a newly formed company, Origen Financial, L.L.C., that was merged with Origen Financial, Inc., subsidiary of BFSC, as part of the recapitalization of BFSC. As a result of this equity investment, the Company owns approximately a thirty percent (30%) interest in the surviving company ("Origen"), which company holds all of the operating assets of BFSC and its subsidiaries. Origen's business has suffered as a result of the general economic recession, excessive amounts of repossession inventory, declining recovery rates in the repossession market and the deteriorating asset-backed securitization market. While the Company believes Origen can still become a profitable national manufacturer housing lender in its industry, the Company wrote-off its remaining investment in Origen in the fourth quarter of 2002 after an extensive analysis of the investment.

The Company and two other participants (one unaffiliated and one affiliated with the President and common stock holder) began providing financing to Origen in December 2002 and are subject to the risks of being a lender. Similar financing was directly provided by Sun to Origen prior to the loan being assigned to the Company in December 2002. These risks include the risks relating to borrower delinquency and default and the adequacy of the collateral for such loans. This financing consists of a \$48 million line of credit and a \$10 million term loan of which the Company's commitment is \$35.5 million (\$33.6 million was outstanding as of December 31, 2002). The line is due December 31, 2003, bears interest at a per annum rate equal to 700 basis points over thirty-day LIBOR, with a minimum interest rate of 11 percent per annum and a maximum interest rate of 15 percent per annum. Of the Company's \$35.5 million participation, \$18 million is subordinate in all respects to the first \$40.0 million funded under the facility by the three participants. This line of credit is collateralized by a security interest in Origen's assets, which is subordinate in all respects to all institutional indebtedness of Origen, and a guaranty and pledge of assets by BFSC. The Company funds this line of credit with a similar financing arrangement from Sun which is due December 31, 2003 and bears interest at a per annum rate equal to 750 basis points over LIBOR, with a minimum interest rate of 11.5 percent and a maximum interest rate of 15.5 percent. Origen paid the Company \$21,894 in interest income and the Company paid Sun \$23,076 in interest expense for the year ended December 31, 2002 related to this financing.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT IN EQUITY INVESTEE (CONTINUED)

Origen's summarized financial data as of December 31, 2002 and 2001 follows:

	2002	2001
	-----	-----
Loans receivable, net .....	\$ 173,764,000	\$ 127,412,000
Other assets .....	53,984,000	49,813,000
	-----	-----
Total assets .....	\$ 227,748,000	\$ 177,225,000
	=====	=====
Advances under repurchase agreements	\$ 141,085,000	\$ 105,564,000
Debt payable to Sun Home Services, Inc.....	33,560,000	---
Debt payable to Sun .....	---	11,185,000
Other liabilities .....	42,799,000	20,634,000
	-----	-----
Total liabilities .....	217,444,000	137,383,000
Equity .....	10,304,000	39,842,000
	-----	-----
Total liabilities and equity .....	\$ 227,748,000	\$ 177,225,000
	=====	=====
Revenues .....	\$ 20,385,000	\$ 1,016,000(a)
Expenses .....	49,572,000	633,000(a)
	-----	-----
Net income (loss) .....	\$ (29,187,000)	\$ 383,000
	=====	=====

(a) Financial data for the period from December 19, 2001 to December 31, 2001.

INCOME TAXES

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial and tax reporting basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

ESTIMATES

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 asset and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

SUN HOME SERVICES, INC. AND SUBSIDIARIES  
 NOTES TO FINANCIAL STATEMENTS

2. INVENTORY

Inventory at December 31, 2002 and 2001 consists of the following:

	2002	2001
New homes	\$10,524,175	\$ 9,487,278
Used homes	3,618,368	3,148,933
	-----	-----
	\$14,142,543	\$12,636,211
	=====	=====

3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2002 and December 31, 2001 consist of the following:

	2002	2001
Rental homes	\$ 16,903,270	\$ 1,997,576
Furniture and fixtures	981,745	957,025
Sales offices	325,280	290,894
Signs	27,320	24,198
Golf course and other improvements	427,086	373,011
Equipment and vehicles	540,921	487,919
Buildings	476,857	457,976
	-----	-----
	19,682,479	4,588,599
Less accumulated depreciation	(1,651,963)	(1,120,551)
	-----	-----
	18,030,516	3,468,048
Land	702,745	702,745
	-----	-----
	\$ 18,733,261	\$ 4,170,793
	=====	=====

Accumulated depreciation related to rental homes at December 31, 2002 and 2001 is approximately \$492,000 and \$135,000, respectively.

4. LINE OF CREDIT

The Company's financing arrangement at December 31, 2002 and 2001 consists of the following:

	2002	2001
Bank One, Michigan revolving line of credit, interest at a one month LIBOR base rate plus 230 basis points per annum or prime rate minus 0.50% per annum (3.68% at December 31, 2002), due upon sale of inventory, \$15,000,000 available based on borrowing base formula, expiration date August 31, 2003	\$7,462,882	\$7,803,273
	=====	=====

4. LINE OF CREDIT (CONTINUED)

At December 31, 2002 and 2001, the Company pledged certain inventories with a carrying value of approximately \$9,500,000 and \$10,000,000, respectively, as collateral for the revolving line of credit.

5. INCOME TAXES

Deferred taxes reflect the estimated future tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company has net operating loss carryforwards for federal income tax purposes of approximately \$6,800,000 at December 31, 2002. A deferred tax asset of approximately \$2,325,000 and \$1,275,000 principally related to the net operating loss carryforwards, exclusive of losses related to the Company's investment in Origen, has been established at December 31, 2002 and 2001, respectively. The deferred tax asset at December 31, 2002 is net of a valuation allowance of \$5,200,000 related to the Company's losses on its investment in Origen. The net operating losses will begin to expire in 2011 through 2022 if not offset by future taxable income.

Management believes its deferred tax asset will be realized but realization is continuously subject to an assessment as to recoverability in the future.

6. RELATED PARTIES

The Company pays fees to Sun for various operating costs, including site and office rents and payroll. Total expenses paid during the years ended December 31, 2002 and 2001 were approximately \$3,010,000 and \$852,000 (unaudited), respectively. The Company receives revenues from Sun, including broker agent fees. Total revenues received for the years ended December 31, 2002 and 2001 were \$94,500 and \$87,000 (unaudited), respectively. Additionally, the Company sold \$226,000 in homes to Sun during the year ended December 31, 2002 at cost. Noninterest bearing related party balances in the accompanying balance sheet are due to/from Sun, and are due on demand.

7. RECENT ACCOUNTING PRONOUNCEMENTS

In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 46 ("FIN No. 46"), "Consolidation of Variable Interest Entities." The objective of this interpretation is to provide guidance on how to identify a variable interest entity ("VIE") and determine when the assets, liabilities, non-controlling interests and results of operations of a VIE need to be included in a company's consolidated financial statements. A company that holds variable interests in an entity will need to consolidate the entity if the company's interest in

7. RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

the VIE is such that the company will absorb a majority of the VIE's expected losses and/or receive a majority of the VIE's expected residual returns, if they occur. FIN No. 46 also requires additional disclosures by primary beneficiaries and other significant variable interest holders. The provisions of this interpretation became effective upon issuance with respect to VIEs created after January 31, 2003 and to VIEs in which a company obtains an interest after that date. The provisions of this interpretation apply in the first interim period beginning after June 15, 2003 (i.e., third quarter of 2003) to VIEs in which a company holds a variable interest that it acquired before February 1, 2003. The Company is in the process of assessing whether its interest in Origen may require consolidation in the third quarter of 2003 pursuant to FIN No. 46.