

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

SUN COMMUNITIES INC
Form 10-K405/A
July 02, 2001

1

FORM 10-K/A
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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, 2000

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.

Yes X No

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 19, 2001, the aggregate market value of the Registrant's
voting stock held by non-affiliates of the Registrant was approximately
\$513,193,961.

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

As of March 19, 2001, there were 17,607,511 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 2001 Annual Meeting of Shareholders are incorporated by reference into Part III of this Report.

2

EXPLANATORY NOTE: This Amendment No. 1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (the "Form 10-K") is filed to amend Part IV, Item 14. The line item including depreciation and amortization was mistakenly omitted from the "Cash Flows from Operating Activities" section of the Consolidated Statement of Cash Flows found on page F-6 of the Form 10-K. The amounts reported for the second line item in Footnote 3 Notes and Other Receivables were in reverse order. In accordance with the rules and regulations of the Securities and Exchange Commission, the entire Item 14 is restated in this Amendment No. 1 to correct these errors. Other than these two changes, there have been no changes to this Item 14. Item 14 of the Form 10-K is hereby amended in its entirety to read as follows:

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

No Current Reports on Form 8-K were filed during the last fiscal quarter for the year ended December 31, 2000.

2

3

SUN COMMUNITIES, INC.
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

PAGES

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Report of Independent Accountants	F-2
Financial Statements:	
Consolidated Balance Sheets as of December 31, 2000 and 1999	F-3
Consolidated Statements of Income for the Years Ended December 31, 2000, 1999 and 1998	F-4
Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2000, 1999 and 1998	F-5
Consolidated Statements of Cash Flows for the Years Ended December 31, 2000, 1999 and 1998	F-6
Notes to Consolidated Financial Statements	F-7 - F-15
Schedule III - Real Estate and Accumulated Depreciation	F-16 - F-20

F-1

4

REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Sun Communities, Inc. (the "Company") at December 31, 2000 and December 31, 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. 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 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

PricewaterhouseCoopers LLP

Detroit, Michigan
February 12, 2001

F-2

5

SUN COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2000 AND 1999
(AMOUNTS IN THOUSANDS EXCEPT FOR PER SHARE DATA)

ASSETS	2000

Investment in rental property, net	\$ 751,820
Cash and cash equivalents	18,466
Notes and other receivables	156,349
Investment in and advances to affiliate	7,930
Other assets	32,063

Total assets	\$ 966,628
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Liabilities:	
Line of credit	\$ 12,000
Debt	452,508
Accounts payable and accrued expenses	16,304
Deposits and other liabilities	8,839

Total liabilities	489,651

Minority interests	140,943

Stockholders' equity:	
Preferred stock, \$.01 par value, 10,000 shares authorized, none issued	-----
Common stock, \$.01 par value, 100,000 shares authorized, 17,516 and 17,459 issued and outstanding in 2000 and 1999, respectively	175
Paid-in capital	393,771
Officers notes	(11,257)
Unearned compensation	(4,746)
Distributions in excess of accumulated earnings	(41,688)
Treasury stock, at cost, 7 shares in 2000	(221)

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Total stockholders' equity	336,034
<hr/>	
Total liabilities and stockholders' equity	\$ 966,628
<hr/>	
<hr/>	

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

F-3

6
 SUN COMMUNITIES, INC.
 CONSOLIDATED STATEMENTS OF INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
 (AMOUNTS IN THOUSANDS EXCEPT FOR PER SHARE DATA)

	2000
	<hr/>
REVENUES	
Income from property.....	\$ 132,440
Other income.....	14,105
	<hr/>
Total revenues.....	146,545
	<hr/>
EXPENSES	
Property operating and maintenance.....	28,592
Real estate taxes.....	9,115
Property management.....	2,934
General and administrative.....	4,079
Depreciation and amortization.....	30,671
Interest.....	29,651
	<hr/>
Total expenses.....	105,042
	<hr/>
Income before other, net and minority interests.....	41,503
Other, net.....	4,801
	<hr/>
Income before minority interests.....	46,304
Less income allocated to minority interests:	
Preferred OP Units.....	7,826
Common OP Units.....	5,184
	<hr/>

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Net income.....	\$ 33,294	\$
	=====	=====
Earnings per common share:		
Basic.....	\$ 1.92	\$
	=====	=====
Diluted.....	\$ 1.91	\$
	=====	=====
Weighted average common shares outstanding:		
Basic.....	17,304	
	=====	=====
Diluted.....	17,390	
	=====	=====

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

F-4

7

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
(AMOUNTS IN THOUSANDS EXCEPT FOR PER SHARE DATA)

	COMMON STOCK	PAID IN CAPITAL	UNEARNED COMPENSATION
	-----	-----	-----
Balance, January 1, 1998.....	\$ 166	\$ 364,050	
Issuance of common stock, net.....	6	11,418	\$ (5,302)
Reclassification and conversion of minority interests.....		13,980	
Net income.....			
Cash distributions declared of \$1.94 per share.....			
	-----	-----	-----
Balance, December 31, 1998.....	172	389,448	(5,302)
Issuance of common stock, net.....	2	1,595	(157)
Reclassification and conversion of minority interests.....		2,317	
Net income.....			
Cash distributions declared of \$2.02 per share.....			
	-----	-----	-----
Balance, December 31, 1999.....	174	393,360	(5,459)
Issuance of common stock, net.....	1	445	
Amortization.....			713
Treasury stock purchased, 7 shares.....			
Reclassification and conversion of			

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

minority interests.....			(34)
Net income.....			
Cash distributions declared of \$2.10 per share.....			
Balance, December 31, 2000.....	\$ 175	\$ 393,771	\$ (4,746)
	=====	=====	=====

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

F-5

8

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
(AMOUNTS IN THOUSANDS)

	2000	

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income.....	\$ 33,294	\$
Adjustments to reconcile net income to cash provided by operating activities:		
Income allocated to minority interests.....	5,184	
Net gain from property dispositions.....	(4,801)	
Depreciation and amortization.....	30,671	
Amortization of deferred financing costs.....	943	
Increase in other assets.....	(7,480)	
Increase (decrease) in accounts payable and other liabilities.....	(1,133)	

Net cash provided by operating activities.....	56,678	

CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in rental properties.....	(57,832)	
Proceeds related to property dispositions.....	34,460	
Investment in notes receivable, net.....	(46,577)	
Investment in and advances to affiliate.....	675	
Officer note.....	195	

Net cash used in investing activities.....	(69,079)	

CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of common stock and operating partnership units, net.....	209	
Borrowings (repayments) on line of credit, net.....	(35,000)	
Proceeds from notes payable and other debt.....	100,000	
Repayments on notes payable and other debt.....	(2,056)	
Payments for deferred financing costs.....	(1,242)	
Distributions.....	(42,374)	

Net cash provided by financing activities.....	19,537	

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Net increase in cash and cash equivalents.....	7,136
Cash and cash equivalents, beginning of year.....	11,330

Cash and cash equivalents, end of year.....	\$ 18,466
	=====

SUPPLEMENTAL INFORMATION

Cash paid for interest including capitalized amounts of \$3,148, \$2,230 and \$1,045 in 2000, 1999 and 1998, respectively.....	\$ 31,882
Noncash investing and financing activities:	
Debt assumed for rental properties and other.....	--
Capitalized lease obligations for rental properties and other.....	--
Property acquired through the exchange of similar property.....	--
Common stock issued as unearned compensation.....	--
Property acquired (sold) in satisfaction of note receivable.....	(8,614)
Issuance of partnership units for rental properties and other	3,564

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

F-6

9

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2000, 1999 AND 1998

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 or finances 109 manufactured housing communities located in 15 states concentrated principally in the Midwest and Southeast comprising approximately 38,282 developed sites and approximately 2,392 sites suitable for development. In addition, the Company owns four undeveloped properties comprised of approximately 1,856 sites planned for future development.

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 and controlled subsidiaries including Sun Communities Operating Limited Partnership (the "Operating Partnership"). 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 20.2 million OP Units outstanding, the Company owns 17.5 million or 86.7 percent. The minority interests are adjusted to their relative ownership interest whenever OP Units or common stock are issued, converted or retired by reclassification to/from paid-in capital.

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Included in minority interests at December 31, 2000 and 1999 are 2 million Series A Perpetual Preferred OP Units ("Series A Units") issued at \$25 per unit in September 1999 bearing an annual coupon rate of 8.875 percent. The PPOP Units may be called by the Company at par on or after September 29, 2004, have no stated maturity or mandatory redemption and are convertible into preferred stock under certain circumstances.

Also included in minority interests are 1.3 million Preferred OP Units ("POP Units") issued at \$27 per unit bearing an annual cumulative dividend of \$2.43 and redeemable at par or convertible serially over a four year period beginning in January, 2003. The POP Units are convertible into 994,000 OP Units at prices up to \$36.00 per share. At prices above \$36.00 per share, the POP Units are convertible into OP Units based on a formula the numerator of which is \$36.00 plus 25 percent of stock price appreciation above \$36 per share. The denominator is the then stock price. The Company's stock price at December 31, 2000 was \$33.50.

In May 2000 and also included in minority interest, the Company issued 35,637 Series B Preferred OP Units ("Series B Units") at a \$100 mandatory redemption price with interest rates ranging from 7.0 percent to 9.0 percent and a maturity of May 1, 2006. The Company is subject to earlier redemption of 10,000 Series B Units upon the request of the holder on May 1, 2003 or a complete redemption of all Series B Units on May 1, 2004 or 2005.

F-7

10

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 2000, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

- C. RENTAL PROPERTY: Rental property is recorded at the lower of cost, less accumulated depreciation or fair value. Management evaluates the recoverability of its investment in rental property whenever events or changes in circumstances such as recent operating results, expected net operating cash flow and plans for future operations indicate that full asset recoverability is questionable. Recoverability of these assets is measured by a comparison of the carrying amount of such assets to the future undiscounted net cash flows expected to be generated by the assets. If such assets were deemed to be impaired as a result of this measurement, the impairment that would be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset as determined on a discounted net cash flow basis.

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. Construction costs related to new community or expansion sites development including interest are capitalized until the property is substantially complete.

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

- D. CASH AND CASH EQUIVALENTS: The Company considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.
- E. INVESTMENTS IN AND ADVANCES TO AFFILIATE: Sun Home Services ("SHS") provides home sales and other services to current and prospective tenants. Through the Operating Partnership, 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 two officers of the Company and the estate of a former officer of the Company who collectively are entitled to receive 5 percent of the operating cash flow.
- F. REVENUE RECOGNITION: Rental income attributable to leases is recorded on a straight-line basis when earned from tenants. Leases entered into by tenants generally range from month-to-month to one year and are renewable by mutual agreement of the Company and resident or, in some cases, as provided by state statute.
- G. FAIR VALUE OF FINANCIAL INSTRUMENTS: The carrying value of financial instruments which includes cash and cash investments, mortgages and notes receivable and debt approximates fair value. Fair values have been determined through information obtained from market sources and management estimates.
- H. RECLASSIFICATIONS: Certain 1999 and 1998 amounts have been reclassified to conform with the 2000 financial statement presentation. Such reclassifications have no effect on results of operations as originally presented.

F-8

11

SUN COMMUNITIES, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
 DECEMBER 31, 2000, 1999 AND 1998

2. RENTAL PROPERTY (AMOUNTS IN THOUSANDS):

	AT DECEMBER 31	
	2000	1999
	-----	-----
Land.....	\$ 76,120	\$ 76,069
Land improvements and buildings.....	739,858	720,662
Furniture, fixtures, and equipment	17,498	16,943
Land held for future development.....	12,042	17,046
Property under development.....	21,859	16,976
	-----	-----
	867,377	847,696
Less accumulated depreciation.....	(115,557)	(92,558)
	-----	-----
	\$751,820	\$755,138
	=====	=====

Land improvements and buildings consist primarily of infrastructure, roads,

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

landscaping, clubhouses, maintenance buildings and amenities. Included in rental property at December 31, 2000 and 1999 are net carrying amounts related to capitalized leases of \$39.7 million and \$40.8 million, respectively.

During 2000, the Company acquired three manufactured housing communities comprising 659 developed sites for \$21.1 million. During 1999, the Company acquired eight communities comprising 1,485 developed sites and 370 sites suitable for development for \$32.0 million and three development communities comprising 1,538 sites, some of which were partially developed, for \$9.5 million. 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. As of December 31, 2000, in conjunction with a 1993 acquisition, the Company is obligated to issue \$9.2 million of OP Units through 2009 based on the per share market value of the Company's stock on the issuance date. This obligation was accounted for as part of the purchase price of the original acquisition.

3. NOTES AND OTHER RECEIVABLES (AMOUNTS IN THOUSANDS):

	AT ----- 2000 -----
Mortgage notes receivable, primarily with minimum monthly interest payments at LIBOR based floating rates of approximately LIBOR + 3.0%, maturing at various dates from April 2001 through June 2012, collateralized by manufactured home communities.	\$ 60,4
Note receivable, subordinated, collateralized by all assets of the borrower, bears interest at LIBOR + 2.35% and payable on demand	35,8
Note receivable, subordinated, bears interest at 9.75% and matures September 2005.	4,0

F-9

12
SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 2000, 1999 AND 1998

3. NOTES AND OTHER RECEIVABLES (CONTINUED) (AMOUNTS IN THOUSANDS):

	A ----- 2000 -----
Installment loans on manufactured homes with interest payable monthly at a weighted average interest rate and maturity of 11% and 22 years, respectively.	32,426

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Other receivables

23,583

\$ 156,349

At December 31, 2000, the maturities of mortgage notes receivables are approximately as follows: 2001 - \$13.3 million; 2002 - \$18.5 million; 2003 - \$11.1 million; after 2005 - \$17.6 million.

Officers' notes, presented as a reduction to stockholders' equity in the balance sheet, are 10 year, LIBOR + 1.75% notes, with a minimum and maximum interest rate of 6% and 9%, respectively, collateralized by 366,206 shares of the Company's common stock and 127,794 OP Units with substantial personal recourse. Interest income of \$0.9 million, \$0.8 million and \$0.9 million has been recognized in 2000, 1999 and 1998, respectively.

4. DEBT (AMOUNTS IN THOUSANDS):

	AT DECEMBER 31,
	2000
Collateralized term loan, interest at 7.01%, due September 9, 2007.....	\$ 43,393
Senior notes, interest at 8.20%, due August 15, 2008.....	100,000
Senior notes, interest at 7.375%, due May 1, 2001.....	65,000
Senior notes, interest at 7.625%, due May 1, 2003.....	85,000
Senior notes, interest at 6.97%, due December 3, 2007.....	35,000
Senior notes, interest at 6.77%, due May 14, 2015, callable/redeemable May 16, 2005.....	65,000
Capitalized lease obligations, interest at 6.1%, \$9.4 million due in March 2001, balance due through December 2003.....	36,009
Mortgage notes, other.....	23,106

	\$ 452,508
	=====

The Company has a \$125 million unsecured line of credit at LIBOR plus 1.0% maturing in January 2003, of which \$113 million was available at December 31, 2000. The average interest rate of outstanding borrowings at December 31, 2000 was 7.06% following conversion to LIBOR in January 2001.

F-10

13
SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2000, 1999 AND 1998

4. DEBT (CONTINUED) (AMOUNTS IN THOUSANDS):

The term loan is collateralized by seven communities comprising

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

approximately 3,400 sites. The capitalized lease obligations and mortgage notes are collateralized by thirteen communities comprising approximately 3,200 sites. At the lease expiration date of the capitalized leases the Company has the right and intends to purchase the properties for the amount of the then outstanding lease obligation. Annual payments under these capitalized lease obligations are \$2.1 million in 2001 and 2002 and \$0.8 million in 2003.

At December 31, 2000, the maturities of debt, excluding the line of credit, during the next five years are approximately as follows: 2001 - \$76.5 million; 2002 - \$17.4 million; 2003 - \$86.5 million; 2004 - \$11.9 million; and 2005 - \$1.3 million.

5. STOCK OPTIONS:

Data pertaining to stock option plans are as follows:

	2000	1999
Options outstanding, January 1.....	1,121,000	1,055,600
Options granted.....	17,500	102,000
Option price.....	\$35.37	\$30.03-\$32.96
Options exercised.....	16,667	35,099
Option price.....	\$28.64-\$30.03	\$22.75-\$33.75
Options forfeited.....	12,583	1,501
Option price.....	\$30.03-\$33.75	\$33.75
Options outstanding, December 31.....	1,109,250 (a)	1,121,000
Option price.....	\$20-\$35.39	\$20-\$35.39
Options exercisable, December 31.....	827,329 (a)	709,811

(a) There are 273,400 options outstanding and exercisable which range from \$20.00 - \$27.99 with a weighted average life of 4.0 years related to the outstanding options. The weighted average exercise price for these outstanding and exercisable options is \$22.81. There are 835,850 and 553,933 options outstanding and exercisable, respectively, which range from \$28.00 - \$35.99 with a weighted average life of 5.0 years related to the outstanding options. The weighted average exercise price for these outstanding and exercisable options is \$31.08 and \$30.29, respectively.

At December 31, 2000, 509,904 shares of common stock were available for the granting of options. Stock option plans originally provided for the grant of up to 2,120,000 options. Options are granted at fair value and generally vest over a two-year period and may be exercised for 10 years after date of grant. In addition, the Company established a Long-Term Incentive Plan for certain employees granting up to 240,000 options in 1997, which become exercisable in equal installments in 2002-2004 based on corporate profit performance.

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 Black-Scholes option-pricing model with the following assumptions for options granted:

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

SUN COMMUNITIES, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2000, 1999 AND 1998

5. STOCK OPTIONS (CONTINUED):

	2000

Estimated fair value per share of options granted during year.....	\$ 2.43
Assumptions:	
Annualized dividend yield.....	7.1%
Common stock price volatility.....	15.3%
Risk-free rate of return.....	6.4%
Expected option term (in years).....	6

If compensation cost for stock option grants had been recognized based on the fair value at the grant date, this would have resulted in net income of \$33.1 million, \$28.8 million and \$25.8 million and basic net income per share of \$1.91, \$1.68 and \$1.53 in 2000, 1999 and 1998, respectively.

6. STOCKHOLDERS' EQUITY:

In April 1998, the Company declared a dividend of one Preferred Stock Purchase Right (Right) for each outstanding share of common stock. The Rights are not presently exercisable. Each Right entitles the holder, upon the occurrence of certain specified events, including a material change in the ownership of the Company, to purchase preferred stock and common stock, from the Company and/or from another person into which the Company is merged or which acquires control of the Company. The Rights, which were not given dividend accounting recognition due to the amount involved, may be generally redeemed by the Company at a price of \$0.01 per Right or \$0.2 million in total. The Rights expire on June 8, 2008.

In December 1999, and June 1998, the Company issued restricted stock awards of 24,750 at \$30.00 per share and 165,000 at \$34.12 per share, respectively, to officers and certain employees which are being amortized over their five to ten year vesting period. Compensation cost recognized in income for these stock awards was \$0.7 million, \$0.6 million and \$0.3 million in 2000, 1999 and 1998, respectively.

In December 1998, the Company issued common stock and OP units aggregating \$25.5 million to Directors, employees and consultants. The purchase was financed by personal bank loans guaranteed by the Company until the loans mature in January 2004. No compensation expense was recognized in respect to the guarantees as the fair value thereof was not material nor have there been any defaults.

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

DECEMBER 31, 2000, 1999 AND 1998

7. OTHER INCOME (AMOUNTS IN THOUSANDS):

The components of other income are as follows for the years ended December 31, 2000, 1999 and 1998:

	2000	1999
	-----	-----
Interest income	\$ 9,385	\$ 6,345
Income from affiliate	607	1,726
Other income	4,113	1,459
	-----	-----
	\$ 14,105	\$ 9,530
	=====	=====

Other, net presented in the Consolidated Statements of Income primarily relates to net gains from property dispositions.

8. INCOME TAXES (AMOUNTS IN THOUSANDS):

The Company has elected to be taxed as a real estate investment trust ("REIT") as defined under Section 856(c) of the Internal Revenue Code of 1986, as amended. In order for the Company to qualify as a REIT, at least 95 percent of the Company's gross income in any year must be derived from qualifying sources.

As a REIT, the Company generally will not be subject to U.S. Federal income taxes at the corporate level if it distributes at least 95 percent of its REIT ordinary taxable income to its stockholders. REIT's are also subject to a number of other organizational and operational requirements. If the Company fails to qualify as a REIT in any taxable year, its taxable income will be subject to U.S. Federal income tax at regular corporate rates (including any applicable alternative minimum tax). Even if the Company qualifies as a REIT, it may be subject to certain state and local income taxes and to U.S. Federal income and excise taxes on its undistributed income.

Dividend payout on taxable income available to common stockholders:

	2000	1999
	-----	-----
Taxable income available to common stockholders	\$ 14,683	\$ 14,681
Less tax gain on disposition of properties	(13)	(5,943)
	-----	-----
Taxable operating income available to common stockholders	\$ 14,670	\$ 8,738
	=====	=====
Total dividends paid to common stockholders	\$ 36,717	\$ 35,009
	=====	=====

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

F-13

16

SUN COMMUNITIES, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2000, 1999 AND 1998

8. INCOME TAXES (CONTINUED) (AMOUNTS IN THOUSANDS):

For income tax purposes, distributions paid to common stockholders consist of ordinary income, capital gains, and return of capital. For the years ended December 31, 2000, 1999 and 1998, distributions paid per share were taxable as follows:

	2000		1999		1998	
	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE
Ordinary income	\$ 1.30	62.0%	\$ 1.29	64.0%	\$ 1.27	
Return of capital	.80	38.0	.39	19.4	.38	
Capital gains	--	--	.28	13.6	.11	
Unrecaptured SEC. 1250 gain	--	--	.06	3.0	.18	
	-----	-----	-----	-----	-----	-----
	\$ 2.10	100.0%	\$ 2.02	100.0%	\$ 1.94	100.0%
	=====	=====	=====	=====	=====	=====

9. EARNINGS PER SHARE (AMOUNTS IN THOUSANDS):

	2000	
	-----	-----
Earnings used for basic and diluted earnings per share computation	\$33,294	\$
	=====	=====
Total shares used for basic earnings per share	17,304	
Dilutive securities:		
Stock options and other	86	
	-----	-----
Total weighted average shares used for diluted earnings per share computation	17,390	
	=====	=====

Diluted earnings per share reflect the potential dilution that would occur if dilutive securities were exercised or converted into common stock. Convertible POP Units are excluded from the computations as their inclusion would have an anti-dilutive effect on earnings per share in 2000, 1999 and 1998.

F-14

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

17

SUN COMMUNITIES, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2000, 1999 AND 1998

10. 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 -----
2000		
Total revenues.....	\$ 36,033	\$ 36,064
Operating income (a).....	\$ 24,823	\$ 25,380
Income before other, net and allocation to minority interests.....	\$ 10,430	\$ 10,396
Net income (b).....	\$ 7,357	\$ 7,305
Weighted average common shares outstanding.....	17,286	17,310
Earnings per common share-basic.....	\$ 0.43	\$ 0.42

	FIRST QUARTER MARCH 31 -----	SECOND QUARTER JUNE 30 -----
1999		
Total revenues.....	\$ 33,000	\$ 32,761
Operating income (a).....	\$ 22,425	\$ 22,517
Income before other, net and allocation to minority interests.....	\$ 8,938	\$ 8,727
Net income (b).....	\$ 7,135	\$ 6,964
Weighted average common shares outstanding.....	17,113	17,160
Earnings per common share-basic.....	\$ 0.42	\$ 0.40

(a) Operating income is defined as total revenues less property operating and maintenance expense, real estate tax expense, property management 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 includes net gains on the disposition of properties of \$182 in the fourth quarter of 2000, \$4,619 in the third quarter of 2000 and \$829 in the fourth quarter of 1999.

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

F-15

18

SUN COMMUNITIES, INC.
 REAL ESTATE AND ACCUMULATED DEPRECIATION
 DECEMBER 31, 2000
 (AMOUNTS IN THOUSANDS)

SCHEDULE III

PROPERTY NAME	LOCATION	ENCUMBRANCE	INITIAL COST TO COMPANY	
			LAND	BUILDING AND FIXTURES
Academy/ Westpointe	Canton, MI	-	\$ 1,485	\$ 14,336
Allendale	Allendale, MI	-	393	3,684
Alpine	Grand Rapids, MI	-	729	6,692
Apple Creek	Amelia, OH	(3)	543	5,480
Arbor Terrace	Bradenton, FL	-	481	4,410
Ariana Village	Lakeland, FL	-	240	2,195
Autumn Ridge	Ankeny, IO	-	890	8,054
Bedford Hills	Battle Creek, MI	(1)	1,265	11,562
Bell Crossing	Clarksville, TN	-	717	1,916
Bonita Lake	Bonita Springs, FL	-	285	2,641
Boulder Ridge	Pflugerville, TX	-	1,000	500
Branch Creek	Austin, TX	-	796	3,716
Brentwood	Kentwood, MI	-	385	3,592
Brookside Village	Goshen, IN	-	260	1,080
Byrne Hill Village	Toledo, OH	-	383	3,903
Byron Center	Byron Center, MI	-	257	2,402
Candlelight Village	Chicago Heights, IL	-	600	5,623
Candlewick Court	Owosso, MI	-	125	1,900
Carrington Pointe	Ft. Wayne, IN	-	1,076	3,632
Casa Del Valle	Alamo, TX	-	246	2,316
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
Cobus Green	Elkhart, IN	-	762	7,037
College Park Estates	Canton, MI	-	75	800
Continental Estates	Davison, MI	-	1,625	16,581
Continental North	Davison, MI	-	(6)	(6)
Country Acres	Cadillac, MI	-	380	3,495
Country Meadows	Flat Rock, MI	-	924	7,583

GROSS AMOUNT
 CARRIED AT
 DECEMBER 31, 2000

PROPERTY NAME	LAND	BUILDING AND FIXTURES	TOTAL	ACCUMULATED DEPRECIATION	DAT CONSTR ACQUIS
---------------	------	-----------------------------	-------	-----------------------------	-------------------------

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Academy/ Westpointe	\$ 1,485	\$ 14,336	\$ 15,821	\$ 240	200
Allendale	393	7,164	7,557	905	199
Alpine	729	9,423	10,152	1,232	199
Apple Creek	543	5,457	6,000	252	199
Arbor Terrace	481	4,642	5,123	723	199
Ariana Village	240	2,629	2,869	559	199
Autumn Ridge	890	8,750	9,640	1,292	199
Bedford Hills	1,265	11,843	13,108	1,816	199
Bell Crossing	717	3,000	3,717	123	199
Bonita Lake	285	2,743	3,028	424	199
Boulder Ridge	1,518	9,904	11,422	802	199
Branch Creek	796	7,983	8,779	1,116	199
Brentwood	385	3,757	4,142	592	199
Brookside Village	646	8,151	8,797	1,281	198
Byrne Hill Village	383	3,959	4,342	211	199
Byron Center	253	2,533	2,786	404	199
Candlelight Village	600	6,064	6,664	932	199
Candlewick Court	257	2,872	3,129	675	198
Carrington Pointe	1,076	6,749	7,825	642	199
Casa Del Valle	246	2,608	2,854	333	199
Catalina	653	6,529	7,182	1,527	199
Chain O'Lakes	551	5,181	5,732	867	199
Chisholm Point	609	6,854	7,463	1,155	199
Clearwater Village	141	3,042	3,183	577	198
Cobus Green	762	7,592	8,354	1,787	199
College Park Estates	249	5,268	5,517	1,128	197
Continental Estates	1,775	17,890	19,665	2,780	199
Continental North	-	3,276	3,276	107	199
Country Acres	380	3,669	4,049	561	199
Country Meadows	1,220	16,637	17,857	2,841	199

F-16

19

SUN COMMUNITIES, INC.
 REAL ESTATE AND ACCUMULATED DEPRECIATION, CONTINUED
 DECEMBER 31, 2000
 (AMOUNTS IN THOUSANDS)

SCHEDULE III

PROPERTY NAME	LOCATION	ENCUMBRANCE	INITIAL COST TO COMPANY	
			LAND	BUILDING AND FIXTURES
Countryside Village	Perry, MI	(1)	275	3,920
Creekwood Meadows	Burton, MI	-	808	2,043
Cutler Estates	Grand Rapids, MI	(1)	822	7,604
Deerfield Run	Anderson, MI	1,700	990	1,607
Desert View Village	West Wendover, NV	-	1,180	-
Eagle Crest	Firestone, CO	-	4,073	150
Edwardsville	Edwardsville, KS	(1)	425	8,805

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Fisherman's Cove	Flint, MI	-	380	3,438
Forest Meadows	Philomath, OR	-	1,031	2,064
Four Seasons	Elkhart, IN	-	500	4,800
Goldcoaster	Homestead, FL	-	446	4,234
Golden Lakes	Plant City, FL	-	1,092	7,161
Grand	Grand Rapids, MI	-	374	3,587
Groves	Ft. Myers, FL	-	249	2,396
Hamlin	Webberville, MI	-	125	1,675
Holiday Village	Elkhart, IN	-	100	3,207
Holly Forest	Holly Hill, FL	-	920	8,376
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
Kenwood	La Feria, TX	-	145	1,857
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
Lafayette Place	Warren, MI	-	669	5,979
Lake Juliana	Auburndale, FL	-	335	2,848
Lake San Marino	Naples, FL	-	650	5,760
Leesburg Landing	Leesburg, FL	-	50	429

GROSS AMOUNT
CARRIED AT
DECEMBER 31, 2000

PROPERTY NAME	LAND	BUILDING AND FIXTURES	TOTAL	ACCUMULATED DEPRECIATION	DATE CONSTR ACQUIS
Countryside Village	460	5,765	6,225	1,233	19
Creekwood Meadows	1,212	8,096	9,308	636	19
Cutler Estates	822	7,800	8,622	1,205	19
Deerfield Run	990	3,100	4,090	114	19
Desert View Village	1,603	4,432	6,035	75	19
Eagle Crest	4,118	7,055	11,173	-	19
Edwardsville	966	10,963	11,929	2,449	19
Fisherman's Cove	380	3,874	4,254	907	19
Forest Meadows	1,031	2,139	3,170	98	19
Four Seasons	500	4,800	5,380	81	20
Goldcoaster	570	5,623	6,193	621	19
Golden Lakes	1,092	8,161	9,253	1,898	19
Grand	374	3,636	4,010	460	19
Groves	249	2,861	3,110	387	19
Hamlin	661	2,636	3,297	556	19
Holiday Village	243	4,318	4,561	1,023	19
Holly Forest	920	8,596	9,516	1,012	19
Indian Creek	3,832	35,360	39,192	5,506	19
Island Lake	700	6,652	7,352	1,237	19
Kensington Meadows	250	6,115	6,365	835	19
Kenwood	145	1,834	1,979	87	19
King's Court	1,473	14,955	16,428	2,253	19
King's Lake	280	4,441	4,721	791	19
King's Pointe	262	2,751	3,013	592	19
Lafayette Place	669	6,571	7,240	566	19
Lake Juliana	335	3,484	3,819	737	19
Lake San Marino	650	6,074	6,724	940	19
Leesburg Landing	971	845	1,816	119	19

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

F-17

20

SUN COMMUNITIES, INC.
 REAL ESTATE AND ACCUMULATED DEPRECIATION, CONTINUED
 DECEMBER 31, 2000
 (AMOUNTS IN THOUSANDS)

SCHEDULE III

PROPERTY NAME	LOCATION	ENCUMBRANCE	INITIAL COST TO COMPANY	
			LAND	BUILDING AND FIXTURES
Liberty Farms	Valparaiso, IN	-	66	1,201
Lincoln Estates	Holland, MI	-	455	4,201
Maple Grove Estates	Dorr, MI	-	15	210
Maplewood	Lawrence, IN	-	280	2,122
Meadow Lake Estates	White Lake, MI	-	1,188	11,498
Meadowbrook Estates	Monroe, MI	-	431	3,320
Meadowbrook Village	Tampa, FL	-	519	4,728
Meadows	Nappanee, IN	-	300	2,300
Meadowstream Village	Sodus, MI	-	100	1,175
Oakwood Village	Miamisburg, OH	363	1,964	6,401
Orange Tree	Orange City, FL	-	283	2,530
Orchard Lake	Milford, OH	(3)	395	4,064
Paradise	Chicago Heights, IL	-	723	6,638
Parkwood	Grand Blanc, MI	-	477	4,279
Pecan Branch	Georgetown, TX	-	1,379	-
Pin Oak Parc	St. Louis, MO	-	1,038	3,250
Pine Hills	Middlebury, IN	-	72	544
Pine Ridge	Petersburg, VA	-	405	2,397
Presidential	Hudsonville, MI	-	680	6,314
Richmond	Richmond, MI	(2)	501	2,040
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
Siesta Bay	Ft. Myers Beach, FL	-	2,051	18,549
Silver Star	Orlando, FL	-	1,067	9,685
Snow to Sun	Weslaco, TX	95	190	2,143
Southfork	Belton, MO	-	1,000	9,011
St. Clair Place	St. Clair, MI	(2)	501	2,029

GROSS AMOUNT
 CARRIED AT
 DECEMBER 31, 2000

PROPERTY NAME	LAND	BUILDING AND FIXTURES	TOTAL	ACCUMULATED DEPRECIATION	DATE CONSTR ACQUIS
---------------	------	-----------------------------	-------	-----------------------------	--------------------------

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Liberty Farms	182	2,958	3,140	662	198
Lincoln Estates	455	4,462	4,917	685	199
Maple Grove Estates	34	476	510	109	197
Maplewood	280	2,800	3,080	644	198
Meadow Lake Estates	1,314	12,894	14,208	2,912	199
Meadowbrook Estates	810	8,964	9,774	2,089	198
Meadowbrook Village	519	4,984	5,503	1,163	199
Meadows	287	4,493	4,780	958	198
Meadowstream Village	209	2,457	2,666	566	198
Oakwood Village	1,964	10,960	12,924	744	199
Orange Tree	298	3,181	3,479	632	199
Orchard Lake	395	4,027	4,422	211	199
Paradise	723	7,097	7,820	1,070	199
Parkwood	477	4,832	5,309	1,118	199
Pecan Branch	1,710	1,886	3,596	-	199
Pin Oak Parc	1,505	7,642	9,147	1,077	199
Pine Hills	130	2,137	2,267	474	198
Pine Ridge	405	3,544	3,949	795	198
Presidential	680	7,373	8,053	1,104	199
Richmond	501	2,329	2,830	207	199
Royal Country	2,290	21,315	23,605	5,030	199
Saddle Oak Club	730	7,266	7,996	1,500	199
Scio Farms	2,300	26,004	28,304	4,587	199
Sherman Oaks	440	5,733	6,173	1,317	198
Siesta Bay	2,051	19,005	21,056	2,948	199
Silver Star	1,067	9,935	11,002	1,534	199
Snow to Sun	205	2,849	3,054	331	199
Southfork	1,000	9,979	10,979	839	199
St. Clair Place	501	2,336	2,837	245	199

F-18

21

SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, CONTINUED
DECEMBER 31, 2000
(AMOUNTS IN THOUSANDS)

SCHEDULE III

PROPERTY NAME	LOCATION	ENCUMBRANCE	INITIAL COST TO COMPANY	
			LAND	BUILDING AND FIXTURES
Stonebridge	Richfield Twp., MI	1,119	2,044	-
Sun Villa	Reno, NV	6,839	2,385	11,773
Sunset Ridge	Portland, MI	-	2,044	-
Timber Ridge	Ft. Collins, CO	-	990	9,231
Timberbrook	Bristol, IN	(1)	490	3,400

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Timberline Estates	Grand Rapids, MI	-	536	4,867
Town and Country	Traverse City, MI	-	406	3,736
Valley Brook	Indianapolis, IN	-	150	3,500
Village Trails	Howard City, MI	426	988	1,472
Water Oak Country Club Est.	Lady Lake, FL	-	2,503	17,478
Westbrook	Toledo, OH	(2)	1,110	10,462
West Glen Village	Indianapolis, IN	-	1,100	10,028
White Lake	White Lake, MI	-	673	6,179
White Oak	Mt. Morris, MI	-	782	7,245
Willowbrook	Toledo, OH	(2)	781	7,054
Windham Hills	Jackson, MI	-	2,673	2,364
Woodhaven Place	Wood Haven, MI	(2)	501	4,541
Woodlake Estates	Yoder, IN	-	632	3,674
Woodland Park Estates	Eugene, OR	7,784	1,593	14,398
Woods Edge	West Lafayette, IN	-	100	2,600
Woodside Terrace	Holland, OH	(2)	1,064	9,625
Worthington Arms	Delaware, OH	-	376	2,624
Corporate Headquarters	Farmington Hills, MI	-	-	-
			-----	-----
			\$ 85,772	\$ 586,480
			=====	=====

GROSS AMOUNT
CARRIED AT
DECEMBER 31, 2000

PROPERTY NAME	LAND	BUILDING AND FIXTURES	TOTAL	ACCUMULATED DEPRECIATION	DATE CONSTR ACQUIS
Stonebridge	2,224	597	2,821	-	19
Sun Villa	2,385	12,246	14,631	1,016	19
Sunset Ridge	2,044	2,983	5,027	-	19
Timber Ridge	990	9,842	10,832	1,502	19
Timberbrook	591	8,240	8,831	1,742	19
Timberline Estates	536	5,359	5,895	1,159	19
Town and Country	406	3,937	4,343	612	19
Valley Brook	1,427	12,062	13,489	2,452	19
Village Trails	988	2,065	3,053	154	19
Water Oak Country Club Est.	2,503	20,259	22,762	4,614	19
Westbrook	1,110	10,478	11,588	540	19
West Glen Village	1,100	10,697	11,797	2,297	19
White Lake	673	8,552	9,225	911	19
White Oak	894	10,302	11,196	1,049	19
Willowbrook	781	7,385	8,166	623	19
Windham Hills	2,673	6,879	9,552	459	19
Woodhaven Place	501	5,218	5,719	450	19
Woodlake Estates	632	5,508	6,140	375	19
Woodland Park Estates	1,593	14,644	16,237	1,239	19
Woods Edge	103	9,330	9,433	1,261	19
Woodside Terrace	1,064	10,818	11,882	1,236	19
Worthington Arms	376	3,681	4,057	852	19
Corporate Headquarters	-	4,513	4,513	1,161	Va
	-----	-----	-----	-----	
	\$ 94,342 (4)	\$ 773,035 (5)	\$ 867,377	\$ 115,557	
	=====	=====	=====	=====	

(1) These communities collateralize \$43.4 million of secured debt.

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

- (2) These communities are financed by \$36 million of collateralized lease obligations.
- (3) These communities collateralize \$4.8 million of secured debt.
- (4) Includes \$6.2 million of land in property under development in Footnote 2 "Rental Property" to the Company's Consolidated Financial Statements included elsewhere herein.
- (5) Includes \$15.7 million of property under development in Footnote 2 "Rental Property" to the Company's Consolidated Financial Statements included elsewhere herein.
- (6) The initial cost for this property was included in the initial cost reported for Continental Estates.

F-19

22

SUN COMMUNITIES, INC. SCHEDULE III
 REAL ESTATE AND ACCUMULATED DEPRECIATION, CONTINUED
 DECEMBER 31, 2000
 (AMOUNTS IN THOUSANDS)

The change in investment in real estate for the years ended December 31, 2000, 1999 and 1998 is as follows:

	2000 -----	1999 -----	1998 -----
Balance, beginning of year	\$ 847,696	\$ 803,152	\$ 684,821
Community and land acquisitions, including immediate improvements	24,339	41,083	102,248
Community expansion and development	30,795	42,480	26,874
Improvements, other	4,595	7,022	6,193
Dispositions and other	(40,048)	(46,041)	(16,984)
	-----	-----	-----
Balance, end of year	\$ 867,377 =====	\$ 847,696 =====	\$ 803,152 =====

The change in accumulated depreciation for the years ended December 31, 2000, 1999 and 1998 is as follows:

	2000 -----	1999 -----	1998 -----
Balance, beginning of year	\$ 92,558	\$ 70,940	\$ 50,084
Depreciation for the period	26,170	25,112	22,765
Dispositions and other	(3,171)	(3,494)	(1,909)
	-----	-----	-----

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Balance, end of year	\$ 115,557 =====	\$ 92,558 =====	\$ 70,940 =====
----------------------	---------------------	--------------------	--------------------

F-20

23

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: June 29, 2001

SUN COMMUNITIES, INC.

By /s/ Gary A. Shiffman

Gary A. Shiffman, President

24

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----
2.1	Form of Sun Communities, Inc.'s Common Stock Certificate
3.1	Amended and Restated Articles of Incorporation of Sun Communities, Inc.
3.2	Bylaws of Sun Communities, Inc.
4.1	Indenture, dated as of April 24, 1996, among Sun Communities, Inc., Sun Communities Operating Limited Partnership and Bankers Trust Company, as Trustee
4.2	Form of Note for the 2001 Notes
4.3	Form of Note for the 2003 Notes
4.4	First Supplemental Indenture, dated as of August 20, 1997, by and between Sun Communities Operating Limited Partnership and Bankers Trust Company, as Trustee
4.5	Form of Medium-Term Note (Floating Rate)
4.6	Form of Medium-Term Note (Fixed Rate)
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
4.8	Articles Supplementary of Board of Directors of Sun Communities, Inc. Designating a Series of Preferred Stock
10.1	Second Amended and Restated Agreement of Limited Partnership of Sun Communities Operating Limited Partnership
10.2	Second Amended and Restated 1993 Stock Option Plan#

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

- 10.3 Amended and Restated 1993 Non-Employee Director Stock Option Plan#
- 10.4 Form of Stock Option Agreement between Sun Communities, Inc. and certain directors, and other individuals#
- 10.5 Form of Non-Employee Director Stock Option Agreement between Sun Communities, Inc. certain directors#
- 10.6 Employment Agreement between Sun Communities, Inc. and Gary A. Shiffman#
- 10.7 Senior Unsecured Line of Credit Agreement with Lehman Brothers Holdings Inc.
- 10.8 Amended and Restated Loan Agreement between Sun Communities Funding Limited Partner Lehman Brothers Holdings Inc.
- 10.9 Amended and Restated Loan Agreement among Miami Lakes Venture Associates, Sun Commu Funding Limited Partnership and Lehman Brothers Holdings Inc.
- 10.10 Form of Indemnification Agreement between each officer and director of Sun

25

EXHIBIT
NUMBER

DESCRIPTION

- Communities, Inc. and Sun Communities, Inc.
- 10.11 Loan Agreement among Sun Communities Operating Limited Partnership, Sea Breeze Limi Partnership and High Point Associates, LP.
- 10.12 Option Agreement by and between Sun Communities Operating Limited Partnership and S Limited Partnership
- 10.13 Option Agreement by and between Sun Communities Operating Limited Partnership and H Associates, LP
- 10.14 \$1,022,538.12 Promissory Note from Gary A. Shiffman to Sun Communities Operating Li Partnership
- 10.15 \$1,022,538.13 Promissory Note from Gary A. Shiffman to Sun Communities Operating Li Partnership
- 10.16 \$6,604,923.75 Promissory Note from Gary A. Shiffman to Sun Communities Operating Li Partnership
- 10.17 Stock Pledge Agreement between Gary A. Shiffman and Sun Communities Operating Limit Partnership for 94,570 shares of Common Stock
- 10.18 Stock Pledge Agreement between Gary A. Shiffman and Sun Communities Operating Limit Partnership for 305,430 shares of Common Stock
- 10.19 \$ 1,300,195.40 Promissory Note from Gary A. Shiffman to Sun Communities Operating L Partnership
- 10.20 \$ 1,300,195.40 Promissory Note from Gary A. Shiffman to Sun Communities Operating L Partnership
- 10.21 Stock Pledge Agreement between Gary A. Shiffman and Sun Communities Operating Limit

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Partnership with respect to 80,000 shares of Common Stock

- 10.22 Employment Agreement between Sun Communities, Inc. and Jeffrey P. Jorissen#
- 10.23 Long Term Incentive Plan
- 10.24 Restricted Stock Award Agreement between Sun Communities, Inc. and Gary A. Shiffman
June 5, 1998#
- 10.25 Restricted Stock Award Agreement between Sun Communities, Inc. and Jeffrey P. Jorissen
dated June 5, 1998#
- 10.26 Restricted Stock Award Agreement between Sun Communities, Inc. and Jonathan M. Colman
June 5, 1998#
- 10.27 Restricted Stock Award Agreement between Sun Communities, Inc. and Brian W. Fannon,
June 5, 1998#
- 10.28 Sun Communities, Inc. 1998 Stock Purchase Plan#
- 10.29 Employment Agreement between Sun Home Services, Inc. and Brian Fannon#

26

EXHIBIT
NUMBER

DESCRIPTION

- 10.30 Facility and Guaranty Agreement among Sun Communities, Inc., Sun Communities Operating
Limited Partnership, Certain Subsidiary Guarantors and First National Bank of Chicago
December 10, 1998
- 10.31 Rights Agreement between Sun Communities, Inc. and State Street Bank and Trust Company
dated April 24, 1998
- 10.32 Employment Agreement between Sun Communities, Inc. and Brian W. Fannon#
- 10.33 Contribution Agreement, dated as of September 29, 1999, by and among the Company, the
Operating Partnership, Belcrest Realty Corporation and Belair Real Estate Corporation
- 10.34 One Hundred Third Amendment to Second Amended and Restated Limited Partnership Agreement
the Operating Partnership
- 10.35 Subordinated Loan Agreement dated September 30, 1997 between Bingham Financial Services
Corporation ("Bingham") and the Company (assigned to Sun Communities Operating Limited
Partnership (the "Operating Partnership") as of December 31, 1997)
- 10.36 Term Promissory Note dated September 30, 1997 executed by Bingham in favor of the Company
(assigned to the Operating Partnership as of December 31, 1997)
- 10.37 Loan Agreement dated March 1, 1998 between Bingham and the Operating Partnership
- 10.38 Demand Promissory Note dated March 1, 1998 executed by Bingham in favor of the Operating
Partnership
- 10.39 Loan Agreement dated March 30, 1999 between Bingham and the Operating Partnership
- 10.40 Demand Promissory Note dated March 30, 1999 executed by Bingham in favor of the Operating

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

Partnership

- 10.41 First Amendment dated June 11, 1999 to Subordinated Loan Agreement dated September 1998 between Bingham and the Operating Partnership
- 10.42 First Amendment dated June 11, 1999 to Loan Agreement dated March 1, 1998 between Bingham and the Operating Partnership
- 10.43 Amended Demand Promissory Note dated June 11, 1999 executed by Bingham in favor of the Operating Partnership
- 10.44 Security Agreement dated December 13, 1999 between the Operating Partnership and Bingham
- 10.45 Second Amendment to Loan Agreement dated December 13, 1999 between Bingham and the Operating Partnership
- 10.46 Second Amended Demand Promissory Note dated December 13, 1999 executed by Bingham in favor of the Operating Partnership
- 10.47 Membership Pledge Agreement dated December 13, 1999 between Bingham and the Operating Partnership

27

EXHIBIT
NUMBER

DESCRIPTION

- and the Operating Partnership
- 10.48 Amended and Restated Security Agreement dated December 13, 1999 between Bingham and the Operating Partnership
- 10.49 Stock Pledge Agreement dated December 13, 1999 between Bingham and the Operating Partnership
- 10.50 Supplemental Agreement Regarding Assignment of Notes, Loan Agreements and Security Agreements as Collateral Security dated December 13, 1999 between Bingham and the Operating Partnership
- 10.51 Supplemental Agreement Regarding Assignment of Note, Loan Agreement and Security Agreements as Collateral Security dated December 13, 1999 between Bingham and the Operating Partnership
- 10.52 Supplemental Agreement Regarding Assignment of Note and Security Agreement as Collateral Security dated March 16, 2000 between Bingham and the Operating Partnership
- 10.53 Stock Pledge Agreement dated October 20, 2000 between Bingham and the Operating Partnership
- 10.55 Supplemental Agreement Regarding Assignment of Notes, Loan Agreements and Security Agreements as Collateral Security dated December 13, 1999 between Bingham and the Operating Partnership.
- 10.54 Amendment to Amended and Restated Security Agreement dated October 20, 2000 between Bingham and the Operating Partnership
- 10.55
- 12.1 Computation of Ratio of Earnings to Fixed Charges and Ratio Earnings to Combined Fixed Charges and Preferred Dividends
- 21 List of Subsidiaries of Sun Communities, Inc.

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

23 Consent of PricewaterhouseCoopers LLP, independent accountants

- (1) Incorporated by reference to Sun Communities, Inc.'s Registration Statement No. 33-69340
- (2) Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K dated Ma
- (3) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the 31, 1995.
- (4) Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K dated Ap
- (5) Incorporated by reference to Sun Communities, Inc.'s Registration Statement No. 33-80972
- (6) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the 31, 1994.

28

- (7) Incorporated by reference to Sun Communities, Inc.'s Quarterly Report on Form 10-Q for t September 30, 1995.
- (8) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the 31, 1996.
- (9) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the 31, 1997.
- (10) Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K dated Ap
- (11) Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the 31, 1998.
- (12) Incorporated by reference to Sun Communities, Inc.'s Proxy Statement, dated April 20, 19
- (13) Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K dated Oc
- (14) Incorporated by reference to Bingham Financial Services Corporation's Registration State No. 333-34453.
- (15) Incorporated by reference to Bingham Financial Services Corporation's Annual Report on F year ended September 30, 1998, No. 0-23381.
- (16) Incorporated by reference to Bingham Financial Services Corporation's Annual Report on F year ended September 30, 1999, No. 0-23381.
- (17) Incorporated by reference to Bingham Financial Services Corporation's Quarterly Report o quarter ended June 30, 2000, No. 0-23381.
- (18) Incorporated by reference to Sun Communities, Inc.'s Registration Statement on Form S-3, No. 333-54718.
- (19) Incorporated by reference to Sun Communities Operating Limited Partnership's Annual Repo

Edgar Filing: SUN COMMUNITIES INC - Form 10-K405/A

the year ended December 31, 2000, No. 333-2522-01.

(20) Previously filed.

(21) Filed herewith.

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