



WATER OAK COUNTRY CLUB - FLORIDA



PRESS RELEASE & SUPPLEMENTAL  
OPERATING & FINANCIAL DATA

SECOND QUARTER 2019



OCEAN BREEZE RESORT - FLORIDA



RIVER PLANTATION RV RESORT - TENNESSEE



FRIENDLY VILLAGE OF SIMI - CALIFORNIA

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**NEWS RELEASE**

July 24, 2019

**Sun Communities, Inc. Reports 2019 Second Quarter Results**

**Southfield, Michigan, July 24, 2019 – Sun Communities, Inc. (NYSE: SUI)** (the “Company”), a real estate investment trust (“REIT”) that owns and operates, or has an interest in, manufactured housing (“MH”) and recreational vehicle (“RV”) communities, today reported its second quarter results for 2019.

**Financial Results for the Quarter and Six Months Ended June 30, 2019**

For the quarter ended June 30, 2019, total revenues increased \$41.0 million, or 15.1 percent, to \$312.4 million compared to \$271.4 million for the same period in 2018. Net income attributable to common stockholders was \$40.4 million, or \$0.46 per diluted common share, for the quarter ended June 30, 2019, as compared to net income attributable to common stockholders of \$20.4 million, or \$0.25 per diluted common share, for the same period in 2018.

For the six months ended June 30, 2019, total revenues increased \$70.4 million or 13.3 percent, to \$599.8 million compared to \$529.4 million for the same period in 2018. Net income attributable to common stockholders was \$74.7 million, or \$0.86 per diluted common share, for the six months ended June 30, 2019, as compared to net income attributable to common stockholders of \$50.4 million, or \$0.63 per diluted common share, for the same period in 2018.

**Non-GAAP Financial Measures and Portfolio Performance**

- **Core Funds from Operations (“Core FFO”)**<sup>(1)</sup> for the quarter ended June 30, 2019, was \$1.18 per diluted share and OP unit (“Share”) as compared to \$1.07 in the prior year, an increase of 10.3 percent.
- **Same Community<sup>(2)</sup> Net Operating Income (“NOI”)**<sup>(1)</sup> increased by 7.2 percent for the quarter ended June 30, 2019, as compared to the same period in 2018.
- **Revenue Producing Sites** increased to 668 sites for the quarter ended June 30, 2019 bringing total portfolio occupancy to 96.6 percent.

Gary Shiffman, Chief Executive Officer of Sun Communities stated, “During the second quarter, robust demand across our Manufactured Housing communities and RV resorts, combined with a best in class operating platform allowed us to deliver another quarter of strong performance. With better than expected same community NOI growth of 7.2 percent as well as Core FFO per share growth of 10.3 percent, we are pleased to announce guidance increases for full year 2019 in these two metrics. Our balance sheet is well-positioned and we have the necessary liquidity to continue to fund Sun’s growth. We continue to execute on our core growth initiatives and remain optimistic about our outlook in both the near and long term.”

## **OPERATING HIGHLIGHTS**

### **Community Occupancy**

Total portfolio occupancy was 96.6 percent at June 30, 2019, compared to 96.1 percent at June 30, 2018. During the quarter ended June 30, 2019, revenue producing sites increased to 668 sites, as compared to 634 revenue producing sites gained during the second quarter of 2018, a 5.4 percent increase.

During the six months ended June 30, 2019, revenue producing sites increased by 1,239 sites, as compared to an increase of 1,250 revenue producing sites during the six months ended June 30, 2018.

### **Same Community<sup>(2)</sup> Results**

For the 345 communities owned and operated by the Company since January 1, 2018, NOI<sup>(1)</sup> for the quarter ended June 30, 2019, increased 7.2 percent over the same period in 2018, as a result of a 6.4 percent increase in revenues and a 4.7 percent increase in operating expenses. Same Community occupancy<sup>(3)</sup> increased to 98.2 percent at June 30, 2019 from 96.2 percent at June 30, 2018.

For the six months ended June 30, 2019, total revenues increased by 6.2 percent while total expenses increased by 3.9 percent, resulting in an increase to NOI<sup>(1)</sup> of 7.2 percent over the six months ended June 30, 2018.

### **Home Sales**

During the quarter ended June 30, 2019, the Company sold 927 homes as compared to 943 homes sold during the same period in 2018. Rental home sales, which are included in total home sales, were 332 in 2019, an increase of 20.7 percent over the 275 sold during 2018.

During the six months ended June 30, 2019, 1,725 homes were sold compared to 1,780 for the same period in 2018. Rental home sales, which are included in total home sales, were 542 in 2019, an increase of 6.5 percent over the 509 sold during 2018.

## **PORTFOLIO ACTIVITY**

### **Acquisitions**

During the quarter ended June 30, 2019, the Company acquired a 309 site RV resort in Sevierville, Tennessee for a purchase price of \$23.0 million and an RV resort located in Strafford, New Hampshire for a purchase price of \$2.7 million.

Subsequent to the quarter ended June 30, 2019, the Company acquired a RV resort located in Ponchatoula, Louisiana with 202 developed sites and 69 expansion sites for a purchase price of \$23.5 million.

### **Ground-up Development**

During the quarter ended June 30, 2019, the Company opened 281 sites of the ground-up development, Carolina Pines RV Resort in Myrtle Beach, South Carolina. The remaining phases of 565 sites for 846 total developed sites are expected to be completed in 2019 and 2020.

## BALANCE SHEET AND CAPITAL MARKETS ACTIVITY

### Debt Transactions

As of June 30, 2019, the Company had \$3.1 billion of debt outstanding. The weighted average interest rate was 4.4 percent and the weighted average maturity was 9.9 years. The Company had \$28.7 million of unrestricted cash on hand. At period-end the Company's net debt to trailing twelve month Recurring EBITDA<sup>(1)</sup> ratio was 5.2 times.

During the quarter, the Company amended and restated its credit agreement with Citibank, N.A. and certain other lenders. Pursuant to the agreement, the Company can borrow up to \$750.0 million under the senior credit facility comprised of a \$650.0 million revolving loan, with the ability to use up to \$100.0 million for advances in Australian dollars, and a \$100.0 million term loan. As of June 30, 2019 the Company has not drawn any funds on the term loan.

### Equity Transactions

During the quarter ended June 30, 2019, the Company closed an underwritten registered public offering of 3,737,500 shares of common stock. Proceeds from the offering were \$452.1 million after deducting expenses related to the offering. The Company used the net proceeds of this offering to repay borrowings under the revolving loan under its senior credit facility.

## GUIDANCE 2019

The Company is revising its 2019 guidance for the following metrics:

|   | Previous Range<br>FY 2019E | Revised Range<br>FY 2019E | 3Q 2019E        |
|---|----------------------------|---------------------------|-----------------|
| Net Income per fully diluted share              | \$1.61 - \$1.71            | \$1.81 - \$1.87           | \$0.66 - \$0.69 |
| Core FFO <sup>(1)</sup> per fully diluted share | \$4.80 - \$4.88            | \$4.84 - \$4.90           | \$1.43 - \$1.46 |

### Same Community<sup>(2)</sup> Portfolio

Number of communities: 345

|                                     | 2019E Change % |
|-------------------------------------|----------------|
| Income from real property           | 6.0% - 6.2%    |
| Total property operating expenses   | 4.1% - 4.7%    |
| Net operating income <sup>(1)</sup> | 6.6% - 7.2%    |

Guidance estimates include acquisitions completed through the date of this release and exclude any prospective acquisitions and capital markets activity.

Core FFO<sup>(1)</sup> per Share estimates assume certain gain and loss items that management considers unrelated to the operational and financial performance of our core business will be adjusted from FFO<sup>(1)</sup>. The estimates and assumptions presented above represent a range of possible outcomes and may differ materially from actual results. The estimates and assumptions are forward looking based on the Company's current assessment of economic and market conditions, as well as other risks outlined below under the caption "Forward-Looking Statements."

## **EARNINGS CONFERENCE CALL**

A conference call to discuss second quarter operating results will be held on Thursday, July 25, 2019 at 11:00 A.M. (ET). To participate, call toll-free 877-407-9039. Callers outside the U.S. or Canada can access the call at 201-689-8470. A replay will be available following the call through August 8, 2019 and can be accessed toll-free by calling 844-512-2921 or 412-317-6671. The Conference ID number for the call and the replay is 13691366. The conference call will be available live on Sun Communities' website located at [www.suncommunities.com](http://www.suncommunities.com). The replay will also be available on the website.

Sun Communities, Inc. is a REIT that, as of June 30, 2019, owned, operated, or had an interest in a portfolio of 382 communities comprising over 133,000 developed sites in 31 states and Ontario, Canada.

For more information about Sun Communities, Inc., please visit [www.suncommunities.com](http://www.suncommunities.com).

## **CONTACT**

Please address all inquiries to our investor relations department at our website [www.suncommunities.com](http://www.suncommunities.com), by phone to (248) 208-2500, by email to [investorrelations@suncommunities.com](mailto:investorrelations@suncommunities.com) or by mail to Sun Communities, Inc. Attn: Investor Relations, 27777 Franklin Road, Ste. 200, Southfield, MI 48034.

## **Forward-Looking Statements**

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

These forward-looking statements reflect the Company's current views with respect to future events and financial performance, but involve known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control. These risks, uncertainties, and other factors may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include national, regional and local economic climates, the ability to maintain rental rates and occupancy levels, competitive market forces, the performance of recent acquisitions, the ability to integrate future acquisitions smoothly and efficiently, changes in market rates of interest, changes in foreign currency exchange rates, the ability of manufactured home buyers to obtain financing and the level of repossessions by manufactured home lenders. Further details of potential risks that may affect the Company are described in its periodic reports filed with the U.S. Securities and Exchange Commission, including in the "Risk Factors" section of the Company's Annual Report on Form 10-K.

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

## Investor Information

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### RESEARCH COVERAGE

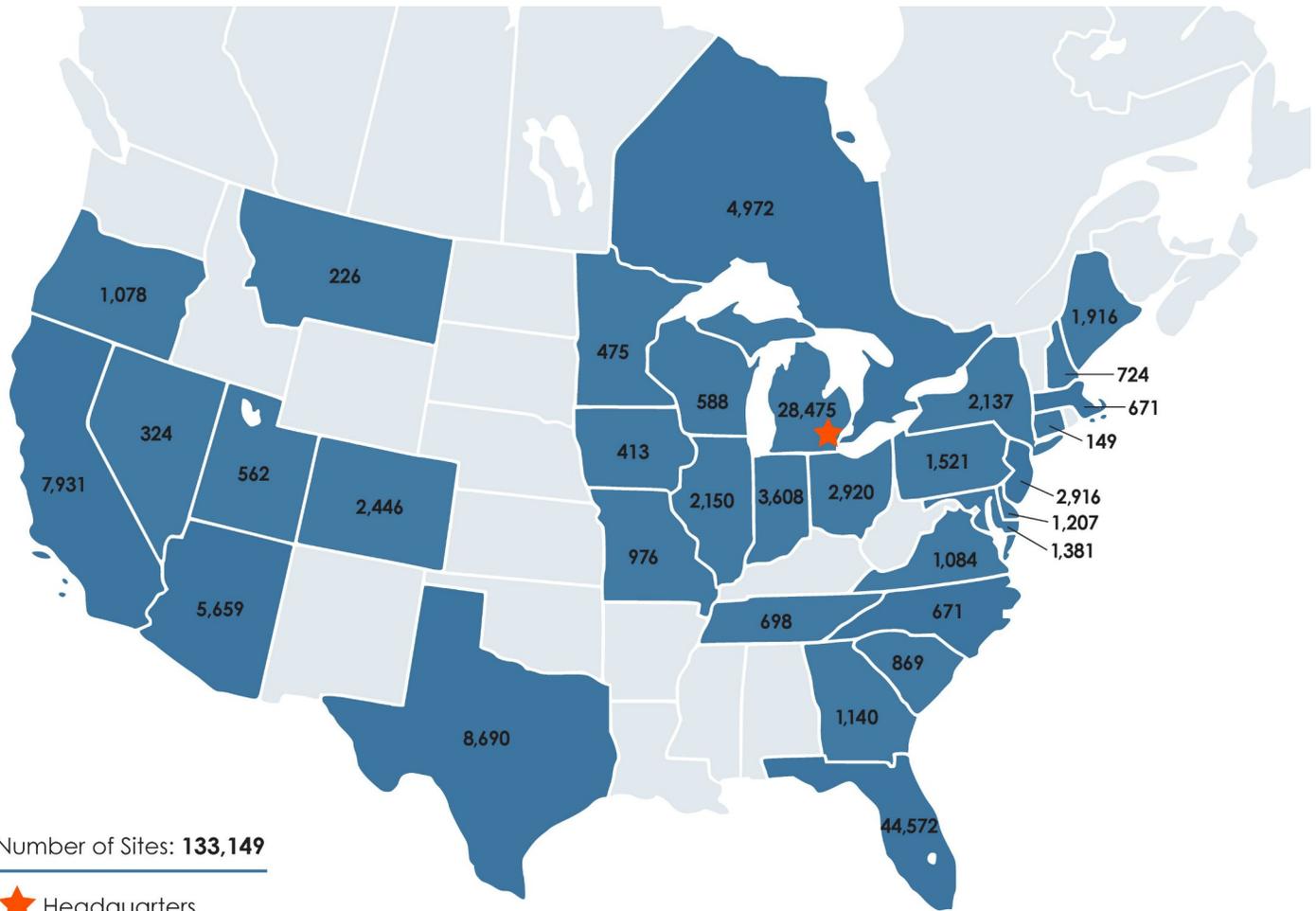
| <b>Firm</b>                   | <b>Analyst</b>    | <b>Phone</b>   | <b>Email</b>                       |
|-------------------------------|-------------------|----------------|------------------------------------|
| Bank of America Merrill Lynch | Joshua Dennerlein | (646) 855-1681 | joshua.dennerlein@baml.com         |
| BMO Capital Markets           | John Kim          | (212) 885-4115 | johnp.kim@bmo.com                  |
| Citi Research                 | Michael Bilerman  | (212) 816-1383 | michael.bilerman@citi.com          |
|                               | Nicholas Joseph   | (212) 816-1909 | nicholas.joseph@citi.com           |
| Evercore ISI                  | Steve Sakwa       | (212) 446-9462 | steve.sakwa@evercoreisi.com        |
|                               | Samir Khanal      | (212) 888-3796 | samir.khanal@evercoreisi.com       |
| Green Street Advisors         | John Pawlowski    | (949) 640-8780 | jpawlowski@greenstreetadvisors.com |
| RBC Capital Markets           | Wes Golladay      | (440) 715-2650 | wes.golladay@rbccm.com             |
| Robert W. Baird & Co.         | Drew Babin        | (610) 238-6634 | dbabin@rwbaird.com                 |
| Wells Fargo                   | Todd Stender      | (562) 637-1371 | todd.stender@wellsfargo.com        |

### INQUIRIES

Sun Communities welcomes questions or comments from stockholders, analysts, investment managers, media, or any prospective investor. Please address all inquiries to our Investor Relations department.

At Our Website                      [www.suncommunities.com](http://www.suncommunities.com)  
By Email                                [investorrelations@suncommunities.com](mailto:investorrelations@suncommunities.com)  
By Phone                                (248) 208-2500

**Portfolio Overview**  
 (As of June 30, 2019)



**Balance Sheets**  
(amounts in thousands)

|   | <u>6/30/2019</u>    | <u>12/31/2018</u>   |
|---|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |
| Land  | \$ 1,286,952        | \$ 1,201,945        |
| Land improvements and buildings                                     | 6,026,193           | 5,586,250           |
| Rental homes and improvements                                       | 599,150             | 571,661             |
| Furniture, fixtures and equipment                                   | 215,610             | 201,090             |
| Investment property   | 8,127,905           | 7,560,946           |
| Accumulated depreciation  | (1,560,061)         | (1,442,630)         |
| Investment property, net  | 6,567,844           | 6,118,316           |
| Cash and cash equivalents   | 28,704              | 50,311              |
| Marketable securities   | 53,553              | 49,037              |
| Inventory of manufactured homes                                     | 55,869              | 49,199              |
| Notes and other receivables, net                                    | 164,303             | 160,077             |
| Collateralized receivables, net <sup>(4)</sup>                      | 97,658              | 106,924             |
| Other assets, net   | 254,153             | 176,162             |
| <b>TOTAL ASSETS</b>   | <u>\$ 7,222,084</u> | <u>\$ 6,710,026</u> |
| <b>LIABILITIES</b>  |                     |                     |
| Mortgage loans payable  | \$ 2,863,485        | \$ 2,815,957        |
| Secured borrowings on collateralized receivables <sup>(4)</sup>     | 98,299              | 107,731             |
| Preferred Equity - Sun NG Resorts - mandatorily redeemable          | 35,249              | 35,277              |
| Preferred OP units - mandatorily redeemable                         | 34,663              | 37,338              |
| Lines of credit <sup>(5)</sup>                                      | 76,079              | 128,000             |
| Distributions payable   | 69,719              | 63,249              |
| Advanced reservation deposits and rent                              | 160,527             | 133,698             |
| Other liabilities   | 204,167             | 157,862             |
| <b>TOTAL LIABILITIES</b>  | <u>3,542,188</u>    | <u>3,479,112</u>    |
| Commitments and contingencies                                       |                     |                     |
| Series A-4 preferred stock  | 31,402              | 31,739              |
| Series A-4 preferred OP units                                       | 9,590               | 9,877               |
| Series D preferred OP units   | 51,462              | —                   |
| Equity Interests - NG Sun LLC                                       | 22,099              | 21,976              |
| <b>STOCKHOLDERS' EQUITY</b>   |                     |                     |
| Common stock  | 907                 | 864                 |
| Additional paid-in capital  | 4,851,323           | 4,398,949           |
| Accumulated other comprehensive loss                                | (1,184)             | (4,504)             |
| Distributions in excess of accumulated earnings                     | (1,343,792)         | (1,288,486)         |
| Total Sun Communities, Inc. stockholders' equity                    | 3,507,254           | 3,106,823           |
| Noncontrolling interests  |                     |                     |
| Common and preferred OP units                                       | 50,880              | 53,354              |
| Consolidated variable interest entities                             | 7,209               | 7,145               |
| Total noncontrolling interests                                      | 58,089              | 60,499              |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                                   | <u>3,565,343</u>    | <u>3,167,322</u>    |
| <b>TOTAL LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY</b> | <u>\$ 7,222,084</u> | <u>\$ 6,710,026</u> |

**Statements of Operations - Quarter to Date and Year to Date Comparison**  
(amounts in thousands, except per share amounts)

|   | Three Months Ended |                  |                  |               | Six Months Ended |                  |                  |               |
|---|--------------------|------------------|------------------|---------------|------------------|------------------|------------------|---------------|
|   | June 30, 2019      | June 30, 2018    | Change           | % Change      | June 30, 2019    | June 30, 2018    | Change           | % Change      |
| <b>REVENUES</b>   |                    |                  |                  |               |                  |                  |                  |               |
| Income from real property (excluding transient revenue)                     | \$ 195,503         | \$ 177,080       | \$ 18,423        | 10.4 %        | \$386,067        | \$ 352,290       | \$ 33,777        | 9.6 %         |
| Transient revenue   | 30,596             | 21,590           | 9,006            | 41.7 %        | 56,811           | 43,591           | 13,220           | 30.3 %        |
| Revenue from home sales   | 47,242             | 41,217           | 6,025            | 14.6 %        | 86,860           | 76,117           | 10,743           | 14.1 %        |
| Rental home revenue   | 14,412             | 13,348           | 1,064            | 8.0 %         | 28,383           | 26,368           | 2,015            | 7.6 %         |
| Ancillary revenue   | 17,265             | 12,031           | 5,234            | 43.5 %        | 25,747           | 18,599           | 7,148            | 38.4 %        |
| Interest income   | 4,919              | 5,277            | (358)            | (6.8)%        | 9,719            | 10,593           | (874)            | (8.3)%        |
| Brokerage commissions and other revenues, net                               | 2,508              | 891              | 1,617            | 181.5 %       | 6,188            | 1,851            | 4,337            | 234.3 %       |
| <b>Total Revenues</b>   | <b>312,445</b>     | <b>271,434</b>   | <b>41,011</b>    | <b>15.1 %</b> | <b>599,775</b>   | <b>529,409</b>   | <b>70,366</b>    | <b>13.3 %</b> |
| <b>EXPENSES</b>   |                    |                  |                  |               |                  |                  |                  |               |
| Property operating and maintenance  | 65,888             | 58,691           | 7,197            | 12.3 %        | 123,797          | 110,321          | 13,476           | 12.2 %        |
| Real estate taxes   | 15,726             | 14,076           | 1,650            | 11.7 %        | 31,056           | 27,912           | 3,144            | 11.3 %        |
| Cost of home sales  | 34,435             | 30,932           | 3,503            | 11.3 %        | 63,712           | 57,503           | 6,209            | 10.8 %        |
| Rental home operating and maintenance                                       | 5,091              | 5,315            | (224)            | (4.2)%        | 9,879            | 10,542           | (663)            | (6.3)%        |
| Ancillary expenses  | 12,480             | 8,241            | 4,239            | 51.4 %        | 19,581           | 13,624           | 5,957            | 43.7 %        |
| Home selling expenses   | 3,626              | 3,986            | (360)            | (9.0)%        | 6,950            | 7,276            | (326)            | (4.5)%        |
| General and administrative  | 23,697             | 21,452           | 2,245            | 10.5 %        | 45,584           | 41,209           | 4,375            | 10.6 %        |
| Catastrophic weather related charges, net                                   | 179                | 53               | 126              | 237.7 %       | 961              | (2,160)          | 3,121            | (144.5)%      |
| Depreciation and amortization   | 76,153             | 67,773           | 8,380            | 12.4 %        | 152,709          | 134,210          | 18,499           | 13.8 %        |
| Loss on extinguishment of debt  | 70                 | 1,522            | (1,452)          | (95.4)%       | 723              | 1,718            | (995)            | (57.9)%       |
| Interest expense  | 33,661             | 32,260           | 1,401            | 4.3 %         | 67,675           | 63,398           | 4,277            | 6.7 %         |
| Interest on mandatorily redeemable preferred OP units / equity              | 1,181              | 790              | 391              | 49.5 %        | 2,275            | 1,409            | 866              | 61.5 %        |
| <b>Total Expenses</b>   | <b>272,187</b>     | <b>245,091</b>   | <b>27,096</b>    | <b>11.1 %</b> | <b>524,902</b>   | <b>466,962</b>   | <b>57,940</b>    | <b>12.4 %</b> |
| <b>Income Before Other Items</b>  | <b>40,258</b>      | <b>26,343</b>    | <b>13,915</b>    | <b>52.8 %</b> | <b>74,873</b>    | <b>62,447</b>    | <b>12,426</b>    | <b>19.9 %</b> |
| Remeasurement of marketable securities                                      | 3,620              | —                | 3,620            | N/A           | 3,887            | —                | 3,887            | N/A           |
| Other income / (expense), net <sup>(6)</sup>                                | 1,021              | (1,828)          | 2,849            | 155.9 %       | 2,919            | (4,445)          | 7,364            | (165.7)%      |
| Income / (loss) from nonconsolidated affiliates                             | 393                | (8)              | 401              | 5,012.5 %     | 737              | (67)             | 804              | (1,200.0)%    |
| Current tax expense   | (272)              | (225)            | (47)             | (20.9)%       | (486)            | (399)            | (87)             | 21.8 %        |
| Deferred tax benefit / (expense)  | 96                 | (112)            | 208              | (185.7)%      | 313              | 235              | 78               | 33.2 %        |
| <b>Net Income</b>   | <b>45,116</b>      | <b>24,170</b>    | <b>20,946</b>    | <b>86.7 %</b> | <b>82,243</b>    | <b>57,771</b>    | <b>24,472</b>    | <b>42.4 %</b> |
| Less: Preferred return to preferred OP units / equity                       | (1,718)            | (1,103)          | (615)            | 55.8 %        | (3,041)          | (2,183)          | (858)            | 39.3 %        |
| Less: Amounts attributable to noncontrolling interests                      | (2,585)            | (2,227)          | (358)            | 16.1 %        | (3,626)          | (4,321)          | 695              | (16.1)%       |
| <b>Net Income Attributable to Sun Communities, Inc.</b>                     | <b>40,813</b>      | <b>20,840</b>    | <b>19,973</b>    | <b>95.8 %</b> | <b>75,576</b>    | <b>51,267</b>    | <b>24,309</b>    | <b>47.4 %</b> |
| Less: Preferred stock distribution  | (428)              | (432)            | 4                | (0.9)%        | (860)            | (873)            | 13               | (1.5)%        |
| <b>Net Income Attributable to Sun Communities, Inc. Common Stockholders</b> | <b>\$ 40,385</b>   | <b>\$ 20,408</b> | <b>\$ 19,977</b> | <b>97.9 %</b> | <b>\$ 74,716</b> | <b>\$ 50,394</b> | <b>\$ 24,322</b> | <b>48.3 %</b> |
| Weighted average common shares outstanding                                  |                    |                  |                  |               |                  |                  |                  |               |
| Basic   | 87,130             | 79,612           | 7,518            | 9.4 %         | 86,325           | 79,233           | 7,092            | 9.0 %         |
| Diluted   | 87,564             | 80,116           | 7,448            | 9.3 %         | 86,770           | 79,905           | 6,865            | 8.6 %         |
| Earnings per share:   |                    |                  |                  |               |                  |                  |                  |               |
| Basic   | \$ 0.46            | \$ 0.25          | \$ 0.21          | 84.0 %        | \$ 0.86          | \$ 0.63          | \$ 0.23          | 36.5 %        |
| Diluted   | \$ 0.46            | \$ 0.25          | \$ 0.21          | 84.0 %        | \$ 0.86          | \$ 0.63          | \$ 0.23          | 36.5 %        |

## Outstanding Securities and Capitalization

(amounts in thousands except for \*)

### Outstanding Securities - As of June 30, 2019

|                                   | Number of<br>Units/Shares<br>Outstanding | Conversion<br>Rate* | If Converted | Issuance Price<br>per unit* | Annual<br>Distribution Rate*           |
|-----------------------------------|--|---------------------|--------------|-----------------------------|--|
| <b>Non-convertible securities</b> |  |                     |              |                             |  |
| Common shares                     | 90,667                                   | N/A                 | N/A          | N/A                         | \$3.00 <sup>^</sup>                    |
| <b>Convertible securities</b>     |  |                     |              |                             |  |
| Series A-1 preferred OP units     | 324                                      | 2.4390              | 790          | \$100                       | 6.0%                                   |
| Series A-3 preferred OP units     | 40                                       | 1.8605              | 74           | \$100                       | 4.5%                                   |
| Series A-4 preferred OP units     | 406                                      | 0.4444              | 180          | \$25                        | 6.5%                                   |
| Series C preferred OP units       | 314                                      | 1.1100              | 349          | \$100                       | 4.5%                                   |
| Series D preferred OP units       | 489                                      | 0.8000              | 391          | \$100                       | 3.8%                                   |
| Common OP units                   | 2,289                                    | 1.0000              | 2,289        | N/A                         | Mirrors common<br>shares distributions |
| Series A-4 preferred stock        | 1,052                                    | 0.4444              | 468          | \$25                        | 6.5%                                   |

<sup>^</sup> Annual distribution is based on the last quarterly distribution annualized.

### Capitalization - As of June 30, 2019

| Equity   | Shares | Share Price* | Total                |
|--|--------|--------------|----------------------|
| Common shares  | 90,667 | \$ 128.19    | \$ 11,622,603        |
| Common OP units  | 2,289  | \$ 128.19    | 293,427              |
| Subtotal   | 92,956 |              | \$ 11,916,030        |
| Series A-1 preferred OP units                              | 790    | \$ 128.19    | 101,270              |
| Series A-3 preferred OP units                              | 74     | \$ 128.19    | 9,486                |
| Series A-4 preferred OP units                              | 180    | \$ 128.19    | 23,074               |
| Series C preferred OP units                                | 349    | \$ 128.19    | 44,738               |
| Series D preferred OP units                                | 391    | \$ 128.19    | 50,122               |
| Total diluted shares outstanding                           | 94,740 |              | \$ 12,144,720        |
| <b>Debt</b>  |        |              |                      |
| Mortgage loans payable                                     |        |              | \$ 2,863,485         |
| Secured borrowings <sup>(4)</sup>                          |        |              | 98,299               |
| Preferred Equity - Sun NG Resorts - mandatorily redeemable |        |              | 35,249               |
| Preferred OP units - mandatorily redeemable                |        |              | 34,663               |
| Lines of credit <sup>(5)</sup>                             |        |              | 76,079               |
| Total debt   |        |              | \$ 3,107,775         |
| <b>Preferred</b>   |        |              |                      |
| Series A-4 preferred stock                                 | 1,052  | \$ 25.00     | \$ 26,300            |
| <b>Total Capitalization</b>                                |        |              | <u>\$ 15,278,795</u> |

## **Reconciliations to Non-GAAP Financial Measures**

**Reconciliation of Net Income Attributable to Sun Communities, Inc. Common Stockholders to FFO**  
(amounts in thousands except for per share data)

|   | Three Months Ended |               | Six Months Ended |               |
|---|--------------------|---------------|------------------|---------------|
|   | June 30, 2019      | June 30, 2018 | June 30, 2019    | June 30, 2018 |
| <b>Net income attributable to Sun Communities, Inc. common stockholders</b>   | \$ 40,385          | \$ 20,408     | \$ 74,716        | \$ 50,394     |
| Adjustments   |                    |               |                  |               |
| Depreciation and amortization   | 76,294             | 67,977        | 153,006          | 134,623       |
| Remeasurement of marketable securities  | (3,620)            | —             | (3,887)          | —             |
| Amounts attributable to noncontrolling interests  | 2,158              | 2,089         | 2,881            | 3,978         |
| Preferred return to preferred OP units  | 537                | 552           | 1,064            | 1,105         |
| Preferred distribution to Series A-4 preferred stock  | 428                | 432           | 860              | 873           |
| Gain on disposition of assets, net  | (8,070)            | (5,835)       | (13,749)         | (10,374)      |
| <b>FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities <sup>(1)(7)</sup></b>                                | \$ 108,112         | \$ 85,623     | \$ 214,891       | \$ 180,599    |
| Adjustments   |                    |               |                  |               |
| Other acquisition related costs <sup>(8)</sup>  | 366                | 301           | 526              | 436           |
| Loss on extinguishment of debt  | 70                 | 1,522         | 723              | 1,718         |
| Catastrophic weather related charges, net   | 194                | 53            | 976              | (2,160)       |
| Loss of earnings - catastrophic weather related <sup>(9)</sup>  | 377                | 325           | 377              | 650           |
| Other (income) / expense <sup>(6)</sup>   | (1,021)            | 1,828         | (2,919)          | 4,445         |
| Debt premium write-off  | —                  | (209)         | —                | (991)         |
| Ground lease intangible write-off   | —                  | 817           | —                | 817           |
| Deferred tax (benefit) / expense  | (96)               | 112           | (313)            | (235)         |
| <b>Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities <sup>(1)(7)</sup></b>                           | \$ 108,002         | \$ 90,372     | \$ 214,261       | \$ 185,279    |
| Weighted average common shares outstanding - basic  | 87,130             | 79,612        | 86,325           | 79,233        |
| Add   |                    |               |                  |               |
| Common stock issuable upon conversion of stock options  | 1                  | 2             | 1                | 2             |
| Restricted stock  | 433                | 502           | 444              | 670           |
| Common OP units   | 2,487              | 2,735         | 2,605            | 2,738         |
| Common stock issuable upon conversion of Series A-4 preferred stock   | 467                | 472           | 467              | 472           |
| Common stock issuable upon conversion of Series A-3 preferred OP units  | 75                 | 75            | 75               | 75            |
| Common stock issuable upon conversion of Series A-1 preferred OP units  | 793                | 825           | 798              | 831           |
| <b>Weighted average common shares outstanding - fully diluted</b>   | <b>91,386</b>      | <b>84,223</b> | <b>90,715</b>    | <b>84,021</b> |
| <b>FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities <sup>(1)(7)</sup> per share - fully diluted</b>      | \$ 1.18            | \$ 1.02       | \$ 2.37          | \$ 2.15       |
| <b>Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities <sup>(1)(7)</sup> per share - fully diluted</b> | \$ 1.18            | \$ 1.07       | \$ 2.36          | \$ 2.21       |

## Reconciliation of Net Income Attributable to Sun Communities, Inc. Common Stockholders to Recurring EBITDA

(amounts in thousands)

|   | Three Months Ended |               | Six Months Ended |               |
|---|--------------------|---------------|------------------|---------------|
|   | June 30, 2019      | June 30, 2018 | June 30, 2019    | June 30, 2018 |
| Net income attributable to Sun Communities, Inc., common stockholders | \$ 40,385          | \$ 20,408     | \$ 74,716        | \$ 50,394     |
| Adjustments   |                    |               |                  |               |
| Interest expense  | 34,842             | 33,050        | 69,950           | 64,807        |
| Loss on extinguishment of debt  | 70                 | 1,522         | 723              | 1,718         |
| Current tax expense   | 272                | 225           | 486              | 399           |
| Deferred tax (benefit) / expense                                      | (96)               | 112           | (313)            | (235)         |
| (Income) / loss from nonconsolidated affiliates                       | (393)              | 8             | (737)            | 67            |
| Depreciation and amortization   | 76,153             | 67,773        | 152,709          | 134,210       |
| Gain on disposition of assets, net                                    | (8,070)            | (5,835)       | (13,749)         | (10,374)      |
| EBITDA <sup>(1)</sup>   | \$ 143,163         | \$ 117,263    | \$ 283,785       | \$ 240,986    |
| Adjustments   |                    |               |                  |               |
| Remeasurement of marketable securities                                | (3,620)            | —             | (3,887)          | —             |
| Other (income) / expense, net <sup>(6)</sup>                          | (1,021)            | 1,828         | (2,919)          | 4,445         |
| Catastrophic weather related charges, net                             | 179                | 53            | 961              | (2,160)       |
| Preferred return to preferred OP units / equity                       | 1,718              | 1,103         | 3,041            | 2,183         |
| Amounts attributable to noncontrolling interests                      | 2,585              | 2,227         | 3,626            | 4,321         |
| Preferred stock distribution  | 428                | 432           | 860              | 873           |
| Plus: Gain on dispositions of assets, net                             | 8,070              | 5,835         | 13,749           | 10,374        |
| Recurring EBITDA <sup>(1)</sup>                                       | \$ 151,502         | \$ 128,741    | \$ 299,216       | \$ 261,022    |

**Reconciliation of Net Income Attributable to Sun Communities, Inc. Common Stockholders to NOI**  
(amounts in thousands)

|   | Three Months Ended |                   | Six Months Ended  |                   |
|---|--------------------|-------------------|-------------------|-------------------|
|   | June 30, 2019      | June 30, 2018     | June 30, 2019     | June 30, 2018     |
| Net income attributable to Sun Communities, Inc., common stockholders | \$ 40,385          | \$ 20,408         | \$ 74,716         | \$ 50,394         |
| Other revenues  | (7,427)            | (6,168)           | (15,907)          | (12,444)          |
| Home selling expenses   | 3,626              | 3,986             | 6,950             | 7,276             |
| General and administrative  | 23,697             | 21,452            | 45,584            | 41,209            |
| Catastrophic weather related charges, net                             | 179                | 53                | 961               | (2,160)           |
| Depreciation and amortization   | 76,153             | 67,773            | 152,709           | 134,210           |
| Loss on extinguishment of debt  | 70                 | 1,522             | 723               | 1,718             |
| Interest expense  | 34,842             | 33,050            | 69,950            | 64,807            |
| Remeasurement of marketable securities                                | (3,620)            | —                 | (3,887)           | —                 |
| Other (income) / expense, net <sup>(6)</sup>                          | (1,021)            | 1,828             | (2,919)           | 4,445             |
| (Income) / loss from nonconsolidated affiliates                       | (393)              | 8                 | (737)             | 67                |
| Current tax expense   | 272                | 225               | 486               | 399               |
| Deferred tax (benefit) / expense                                      | (96)               | 112               | (313)             | (235)             |
| Preferred return to preferred OP units / equity                       | 1,718              | 1,103             | 3,041             | 2,183             |
| Amounts attributable to noncontrolling interests                      | 2,585              | 2,227             | 3,626             | 4,321             |
| Preferred stock distribution  | 428                | 432               | 860               | 873               |
| NOI <sup>(1)</sup> / Gross Profit                                     | <u>\$ 171,398</u>  | <u>\$ 148,011</u> | <u>\$ 335,843</u> | <u>\$ 297,063</u> |

|  | Three Months Ended |                   | Six Months Ended  |                   |
|--|--------------------|-------------------|-------------------|-------------------|
|  | June 30, 2019      | June 30, 2018     | June 30, 2019     | June 30, 2018     |
| Real Property NOI <sup>(1)</sup>   | \$ 144,485         | \$ 125,903        | \$ 288,025        | \$ 257,648        |
| Rental Program NOI <sup>(1)</sup>  | 26,499             | 24,572            | 52,560            | 48,674            |
| Home Sales NOI <sup>(1)</sup> / Gross Profit                                     | 12,807             | 10,285            | 23,148            | 18,614            |
| Ancillary NOI <sup>(1)</sup> / Gross Profit                                      | 4,785              | 3,790             | 6,166             | 4,975             |
| Site rent from Rental Program (included in Real Property NOI) <sup>(1)(10)</sup> | (17,178)           | (16,539)          | (34,056)          | (32,848)          |
| NOI <sup>(1)</sup> / Gross profit  | <u>\$ 171,398</u>  | <u>\$ 148,011</u> | <u>\$ 335,843</u> | <u>\$ 297,063</u> |

## **Non-GAAP and Other Financial Measures**

## Financial and Operating Highlights

(amounts in thousands, except for \*)

|   | Quarter Ended |              |              |              |              |
|---|---------------|--------------|--------------|--------------|--------------|
|   | 6/30/2019     | 3/31/2019    | 12/31/2018   | 9/30/2018    | 6/30/2018    |
| <b>Financial Information</b>  |               |              |              |              |              |
| Total revenues  | \$ 312,445    | \$ 287,330   | \$ 274,004   | \$ 323,538   | \$ 271,426   |
| Net income  | \$ 45,116     | \$ 37,127    | \$ 10,672    | \$ 51,715    | \$ 24,170    |
| Net income attributable to Sun Communities Inc.   | \$ 40,385     | \$ 34,331    | \$ 9,039     | \$ 46,060    | \$ 20,408    |
| Earnings per share basic*   | \$ 0.46       | \$ 0.40      | \$ 0.11      | \$ 0.56      | \$ 0.25      |
| Earnings per share diluted*   | \$ 0.46       | \$ 0.40      | \$ 0.11      | \$ 0.56      | \$ 0.25      |
| Cash distributions declared per common share*   | \$ 0.75       | \$ 0.75      | \$ 0.71      | \$ 0.71      | \$ 0.71      |
| Recurring EBITDA <sup>(1)</sup>   | \$ 151,502    | \$ 147,714   | \$ 133,335   | \$ 158,129   | \$ 128,741   |
| FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities <sup>(1)(7)</sup>                                 | \$ 108,112    | \$ 106,779   | \$ 88,562    | \$ 117,018   | \$ 85,623    |
| Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities <sup>(1)(7)</sup>                            | \$ 108,002    | \$ 106,259   | \$ 92,695    | \$ 116,959   | \$ 90,372    |
| FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities <sup>(1)(7)</sup> per share - fully diluted*      | \$ 1.18       | \$ 1.19      | \$ 0.98      | \$ 1.35      | \$ 1.02      |
| Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities <sup>(1)(7)</sup> per share - fully diluted* | \$ 1.18       | \$ 1.18      | \$ 1.03      | \$ 1.35      | \$ 1.07      |
| <b>Balance Sheet</b>  |               |              |              |              |              |
| Total assets  | \$ 7,222,084  | \$ 7,098,662 | \$ 6,710,026 | \$ 6,653,726 | \$ 6,492,348 |
| Total debt  | \$ 3,107,775  | \$ 3,448,117 | \$ 3,124,303 | \$ 3,004,929 | \$ 3,364,081 |
| Total liabilities   | \$ 3,542,188  | \$ 3,846,325 | \$ 3,479,112 | \$ 3,367,285 | \$ 3,736,621 |
| <b>Operating Information*</b>   |               |              |              |              |              |
|   | Quarter Ended |              |              |              |              |
|   | 6/30/2019     | 3/31/2019    | 12/31/2018   | 9/30/2018    | 6/30/2018    |
| New home sales  | 139           | 125          | 140          | 146          | 134          |
| Pre-owned home sales  | 788           | 673          | 738          | 825          | 809          |
| Total homes sold  | 927           | 798          | 878          | 971          | 943          |
| Communities   | 382           | 379          | 371          | 370          | 367          |
| Developed sites   | 112,564       | 112,175      | 108,963      | 108,142      | 107,192      |
| Transient RV sites  | 20,585        | 20,173       | 19,491       | 19,432       | 19,007       |
| Total sites   | 133,149       | 132,348      | 128,454      | 127,574      | 126,199      |
| MH occupancy  | 95.7%         | 95.4%        | 95.0%        | 94.9%        | 95.0%        |
| RV occupancy  | 100.0%        | 100.0%       | 100.0%       | 100.0%       | 100.0%       |
| Total blended MH and RV occupancy   | 96.6%         | 96.4%        | 96.1%        | 96.1%        | 96.1%        |

**Debt Analysis**  
(amounts in thousands)

|   | Quarter Ended         |                     |                     |                     |                     |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|
|   | 6/30/2019             | 3/31/2019           | 12/31/2018          | 9/30/2018           | 6/30/2018           |
| <b>DEBT OUTSTANDING</b>   |                       |                     |                     |                     |                     |
| Mortgage loans payable  | \$ 2,863,485          | \$ 2,879,017        | \$ 2,815,957        | \$ 2,819,225        | \$ 2,636,847        |
| Secured borrowings on collateralized receivables <sup>(4)</sup>                                   | 98,299                | 102,676             | 107,731             | 113,089             | 118,242             |
| Preferred Equity - Sun NG Resorts - mandatorily redeemable  | 35,249                | 35,249              | 35,277              | 35,277              | 35,277              |
| Preferred OP units - mandatorily redeemable   | 34,663                | 34,663              | 37,338              | 37,338              | 37,338              |
| Lines of credit <sup>(5)</sup>  | 76,079                | 396,512             | 128,000             | —                   | 536,377             |
| <b>Total debt</b>   | <b>\$ 3,107,775</b>   | <b>\$ 3,448,117</b> | <b>\$ 3,124,303</b> | <b>\$ 3,004,929</b> | <b>\$ 3,364,081</b> |
| <b>% FIXED/FLOATING</b>   |                       |                     |                     |                     |                     |
| Fixed   | 97.6%                 | 88.5%               | 95.9%               | 100.0%              | 84.0%               |
| Floating  | 2.4%                  | 11.5%               | 4.1%                | —%                  | 16.0%               |
| <b>Total</b>  | <b>100.0%</b>         | <b>100.0%</b>       | <b>100.0%</b>       | <b>100.0%</b>       | <b>100.0%</b>       |
| <b>WEIGHTED AVERAGE INTEREST RATES</b>  |                       |                     |                     |                     |                     |
| Mortgage loans payable  | 4.24%                 | 4.24%               | 4.22%               | 4.23%               | 4.27%               |
| Preferred Equity - Sun NG Resorts - mandatorily redeemable  | 6.00%                 | 6.00%               | 6.00%               | 6.00%               | 6.00%               |
| Preferred OP units - mandatorily redeemable   | 6.50%                 | 6.50%               | 6.61%               | 6.61%               | 6.61%               |
| Lines of credit <sup>(5)</sup>  | 3.34%                 | 3.73%               | 3.77%               | —%                  | 3.31%               |
| Average before Secured borrowings <sup>(4)</sup>  | 4.27%                 | 4.22%               | 4.25%               | 4.28%               | 4.15%               |
| Secured borrowings on collateralized receivables <sup>(4)</sup>                                   | 9.93%                 | 9.94%               | 9.94%               | 9.95%               | 9.96%               |
| <b>Total average</b>  | <b>4.44%</b>          | <b>4.39%</b>        | <b>4.45%</b>        | <b>4.40%</b>        | <b>4.36%</b>        |
| <b>DEBT RATIOS</b>  |                       |                     |                     |                     |                     |
| Net Debt / Recurring EBITDA <sup>(1)</sup> (TTM)  | 5.2                   | 6.0                 | 5.6                 | 5.4                 | 6.5                 |
| Net Debt / Enterprise Value   | 20.2%                 | 24.1%               | 25.2%               | 24.1%               | 28.6%               |
| Net Debt / Gross Assets   | 35.1%                 | 39.8%               | 37.7%               | 35.9%               | 42.7%               |
| <b>COVERAGE RATIOS</b>  |                       |                     |                     |                     |                     |
| Recurring EBITDA <sup>(1)</sup> (TTM) / Interest  | 4.2                   | 4.1                 | 4.0                 | 3.9                 | 3.7                 |
| Recurring EBITDA <sup>(1)</sup> (TTM) / Interest + Pref. Distributions + Pref. Stock Distribution | 4.0                   | 3.9                 | 3.9                 | 3.8                 | 3.6                 |
| <b>MATURITIES / PRINCIPAL AMORTIZATION NEXT FIVE YEARS</b>  |                       |                     |                     |                     |                     |
|   | <b>Remaining 2019</b> | <b>2020</b>         | <b>2021</b>         | <b>2022</b>         | <b>2023</b>         |
| Mortgage loans payable:   |                       |                     |                     |                     |                     |
| Maturities  | \$ —                  | \$ 58,078           | \$ 270,680          | \$ 82,155           | \$ 307,465          |
| Weighted average rate of maturities   | —%                    | 5.92%               | 5.53%               | 4.46%               | 4.17%               |
| Principal amortization  | 29,618                | 59,931              | 59,173              | 57,182              | 53,829              |
| Secured borrowings on collateralized receivables <sup>(4)</sup>                                   | 2,514                 | 5,383               | 5,778               | 5,972               | 5,979               |
| Preferred Equity - Sun NG Resorts - mandatorily redeemable  | —                     | —                   | —                   | 35,249              | —                   |
| Lines of credit <sup>(5)</sup>  | —                     | 5,079               | —                   | —                   | 71,000              |
| <b>Total</b>  | <b>\$ 32,132</b>      | <b>\$ 128,471</b>   | <b>\$ 335,631</b>   | <b>\$ 180,558</b>   | <b>\$ 438,273</b>   |

**Real Property Operations – Same Community<sup>(2)</sup>**  
(amounts in thousands except for Other Information)

|   | Three Months Ended |               |           |          | Six Months Ended |               |           |          |
|---|--------------------|---------------|-----------|----------|------------------|---------------|-----------|----------|
|   | June 30, 2019      | June 30, 2018 | Change    | % Change | June 30, 2019    | June 30, 2018 | Change    | % Change |
| <b>Financial Information</b>              |                    |               |           |          |                  |               |           |          |
| Income from real property <sup>(11)</sup> | \$ 196,305         | \$ 184,532    | \$ 11,773 | 6.4 %    | \$ 395,389       | \$ 372,358    | \$ 23,031 | 6.2 %    |
| Property operating expenses               |                    |               |           |          |                  |               |           |          |
| Payroll and benefits                      | 18,673             | 17,609        | 1,064     | 6.0 %    | 35,094           | 33,143        | 1,951     | 5.9 %    |
| Legal, taxes & insurance                  | 2,131              | 2,047         | 84        | 4.1 %    | 4,322            | 4,518         | (196)     | (4.3)%   |
| Utilities <sup>(11)</sup>                 | 13,244             | 13,325        | (81)      | (0.6)%   | 27,678           | 27,788        | (110)     | (0.4)%   |
| Supplies and repair <sup>(12)</sup>       | 8,472              | 7,739         | 733       | 9.5 %    | 14,191           | 12,898        | 1,293     | 10.0 %   |
| Other                                     | 5,411              | 5,402         | 9         | 0.2 %    | 9,866            | 10,090        | (224)     | (2.2)%   |
| Real estate taxes                         | 14,896             | 13,896        | 1,000     | 7.2 %    | 29,486           | 27,662        | 1,824     | 6.6 %    |
| Total property operating expenses         | 62,827             | 60,018        | 2,809     | 4.7 %    | 120,637          | 116,099       | 4,538     | 3.9 %    |
| Real Property NOI <sup>(1)</sup>          | \$ 133,478         | \$ 124,514    | \$ 8,964  | 7.2 %    | \$ 274,752       | \$ 256,259    | \$ 18,493 | 7.2 %    |

|  | As of         |               |        |                       |
|--|---------------|---------------|--------|-----------------------|
|  | June 30, 2019 | June 30, 2018 | Change | % Change              |
| <b>Other Information</b>                           |               |               |        |                       |
| Number of properties                               | 345           |               |        |                       |
| MH occupancy <sup>(3)</sup>                        | 97.7%         |               |        |                       |
| RV occupancy <sup>(3)</sup>                        | 100.0%        |               |        |                       |
| MH & RV blended occupancy % <sup>(3)</sup>         | 98.2%         | 96.2%         | 2.0%   |                       |
| Sites available for development                    | 7,237         | 7,463         | (226)  | (3.0)%                |
| Monthly base rent per site - MH                    | \$ 568        | \$ 545        | \$ 23  | 4.2 % <sup>(14)</sup> |
| Monthly base rent per site - RV <sup>(13)</sup>    | \$ 473        | \$ 445        | \$ 28  | 6.3 % <sup>(14)</sup> |
| Monthly base rent per site - Total <sup>(13)</sup> | \$ 547        | \$ 523        | \$ 24  | 4.5 % <sup>(14)</sup> |

**Home Sales Summary**  
(amounts in thousands except for \*)

| Financial Information                               | Three Months Ended |               |           |          | Six Months Ended |               |           |          |
|---|--------------------|---------------|-----------|----------|------------------|---------------|-----------|----------|
|   | June 30, 2019      | June 30, 2018 | Change    | % Change | June 30, 2019    | June 30, 2018 | Change    | % Change |
| <b>New homes</b>                                    |                    |               |           |          |                  |               |           |          |
| New home sales                                      | \$ 16,704          | \$ 14,652     | \$ 2,052  | 14.0 %   | \$ 32,085        | \$ 26,545     | \$ 5,540  | 20.9 %   |
| New home cost of sales                              | 14,833             | 12,712        | 2,121     | 16.7 %   | 27,979           | 22,909        | 5,070     | 22.1 %   |
| NOI / Gross Profit <sup>(1)</sup> - new homes       | 1,871              | 1,940         | (69)      | (3.6)%   | 4,106            | 3,636         | 470       | 12.9 %   |
| Gross margin % – new homes                          | 11.2%              | 13.2%         | (2.0)%    |          | 12.8%            | 13.7%         | (0.9)%    |          |
| Average selling price – new homes*                  | \$ 120,173         | \$ 109,343    | \$ 10,830 | 9.9 %    | \$ 121,534       | \$ 110,604    | \$ 10,930 | 9.9 %    |
| <b>Pre-owned homes</b>                              |                    |               |           |          |                  |               |           |          |
| Pre-owned home sales                                | 30,538             | 26,565        | 3,973     | 15.0 %   | 54,775           | 49,572        | 5,203     | 10.5 %   |
| Pre-owned home cost of sales                        | 19,602             | 18,220        | 1,382     | 7.6 %    | 35,733           | 34,594        | 1,139     | 3.3 %    |
| NOI / Gross Profit <sup>(1)</sup> - pre-owned homes | 10,936             | 8,345         | 2,591     | 31.0 %   | 19,042           | 14,978        | 4,064     | 27.1 %   |
| Gross margin % – pre-owned homes                    | 35.8%              | 31.4%         | 4.4 %     |          | 34.8%            | 30.2%         | 4.6 %     |          |
| Average selling price – pre-owned homes*            | \$ 38,754          | \$ 32,837     | \$ 5,917  | 18.0 %   | \$ 37,491        | \$ 32,190     | \$ 5,301  | 16.5 %   |
| Revenue from home sales                             | 47,242             | 41,217        | 6,025     | 14.6 %   | 86,860           | 76,117        | 10,743    | 14.1 %   |
| Cost of home sales                                  | 34,435             | 30,932        | 3,503     | 11.3 %   | 63,712           | 57,503        | 6,209     | 10.8 %   |
| NOI / Gross Profit <sup>(1)</sup> - home sales      | \$ 12,807          | \$ 10,285     | \$ 2,522  | 24.5 %   | \$ 23,148        | \$ 18,614     | \$ 4,534  | 24.4 %   |
| <b>Statistical Information</b>                      |                    |               |           |          |                  |               |           |          |
| New home sales volume*                              | 139                | 134           | 5         | 3.7 %    | 264              | 240           | 24        | 10.0 %   |
| Pre-owned home sales volume*                        | 788                | 809           | (21)      | (2.6)%   | 1,461            | 1,540         | (79)      | (5.1)%   |
| Total homes sold*                                   | 927                | 943           | (16)      | (1.7)%   | 1,725            | 1,780         | (55)      | (3.1)%   |

**Rental Program Summary**  
(amounts in thousands except for \*)

| Financial Information                    | Three Months Ended |               |          |          | Six Months Ended |               |          |          |
|--|--------------------|---------------|----------|----------|------------------|---------------|----------|----------|
|  | June 30, 2019      | June 30, 2018 | Change   | % Change | June 30, 2019    | June 30, 2018 | Change   | % Change |
| <b>Revenues</b>                          |                    |               |          |          |                  |               |          |          |
| Rental home revenue                      | \$ 14,412          | \$ 13,348     | \$ 1,064 | 8.0 %    | \$ 28,383        | \$ 26,368     | \$ 2,015 | 7.6 %    |
| Site rent from rental program            | 17,178             | 16,539        | 639      | 3.9 %    | 34,056           | 32,848        | 1,208    | 3.7 %    |
| Rental program revenue                   | 31,590             | 29,887        | 1,703    | 5.7 %    | 62,439           | 59,216        | 3,223    | 5.4 %    |
| <b>Expenses</b>                          |                    |               |          |          |                  |               |          |          |
| Repairs and refurbishment                | 2,803              | 2,207         | 596      | 27.0 %   | 5,107            | 4,521         | 586      | 13.0 %   |
| Taxes and insurance                      | 1,827              | 1,569         | 258      | 16.4 %   | 3,691            | 3,115         | 576      | 18.5 %   |
| Other                                    | 461                | 1,539         | (1,078)  | (70.0)%  | 1,081            | 2,906         | (1,825)  | (62.8)%  |
| Rental program operating and maintenance | 5,091              | 5,315         | (224)    | (4.2)%   | 9,879            | 10,542        | (663)    | (6.3)%   |
| Rental Program NOI <sup>(1)</sup>        | \$ 26,499          | \$ 24,572     | \$ 1,927 | 7.8 %    | \$ 52,560        | \$ 48,674     | \$ 3,886 | 8.0 %    |

| Other Information                                    | As of         |               |           |          |
|--|---------------|---------------|-----------|----------|
|  | June 30, 2019 | June 30, 2018 | Change    | % Change |
| Number of occupied rental homes, end of period*      | 11,230        | 11,072        | 158       | 1.4%     |
| Investment in occupied rental homes, end of period   | \$ 561,219    | \$ 514,756    | \$ 46,463 | 9.0%     |
| Number of sold rental homes (YTD)*                   | 542           | 509           | 33        | 6.5%     |
| Weighted average monthly rental rate, end of period* | \$ 975        | \$ 927        | \$ 48     | 5.2%     |

**Acquisitions and Other Summary <sup>(15)</sup>**  
**(amounts in thousands except for statistical data)**

| <b>Financial Information</b>              | <b>Three Months Ended<br/>June 30, 2019</b> | <b>Six Months Ended<br/>June 30, 2019</b> |
|---|---|---|
| <b>Revenues</b>                           |   |   |
| Income from real property                 | \$ 21,262                                   | \$ 30,513                                 |
| <b>Property and operating expenses</b>    |   |   |
| Payroll and benefits                      | 3,424                                       | 5,874                                     |
| Legal, taxes & insurance                  | 233   | 426                                       |
| Utilities <sup>(11)</sup>                 | 1,874                                       | 3,424                                     |
| Supplies and repair                       | 1,257                                       | 1,892                                     |
| Other                                     | 2,637                                       | 4,054                                     |
| Real estate taxes                         | 830   | 1,570                                     |
| Property operating expenses               | 10,255                                      | 17,240                                    |
| Net operating income (NOI) <sup>(1)</sup> | <u>\$ 11,007</u>                            | <u>\$ 13,273</u>                          |
| <b>As of June 30, 2019</b>                |   |   |
| <b>Other Information</b>                  |   |   |
| Number of properties                      |   | 37  |
| Occupied sites                            |   | 3,786                                     |
| Developed sites                           |   | 3,991                                     |
| Occupancy %                               |   | 94.9%                                     |
| Transient sites                           |   | 5,805                                     |

## Property Summary

(includes MH and Annual RVs)

| COMMUNITIES                     | 6/30/2019 | 3/31/2019 | 12/31/2018 | 9/30/2018 | 6/30/2018 |
|---------------------------------|-----------|-----------|------------|-----------|-----------|
| <b>FLORIDA</b>                  |           |           |            |           |           |
| Communities                     | 125       | 125       | 124        | 124       | 124       |
| Developed sites <sup>(16)</sup> | 38,879    | 38,878    | 37,874     | 37,879    | 37,723    |
| Occupied <sup>(16)</sup>        | 37,944    | 37,932    | 36,868     | 36,822    | 36,602    |
| Occupancy % <sup>(16)</sup>     | 97.6%     | 97.6%     | 97.3%      | 97.2%     | 97.0%     |
| Sites for development           | 1,707     | 1,754     | 1,684      | 1,494     | 1,335     |
| <b>MICHIGAN</b>                 |           |           |            |           |           |
| Communities                     | 72        | 72        | 70         | 70        | 69        |
| Developed sites <sup>(16)</sup> | 27,891    | 27,777    | 26,504     | 26,116    | 26,039    |
| Occupied <sup>(16)</sup>        | 26,591    | 26,430    | 25,075     | 24,830    | 24,709    |
| Occupancy % <sup>(16)</sup>     | 95.3%     | 95.2%     | 94.6%      | 95.1%     | 94.9%     |
| Sites for development           | 1,115     | 1,202     | 1,202      | 1,533     | 1,668     |
| <b>TEXAS</b>                    |           |           |            |           |           |
| Communities                     | 23        | 23        | 23         | 23        | 23        |
| Developed sites <sup>(16)</sup> | 6,997     | 6,953     | 6,922      | 6,905     | 6,622     |
| Occupied <sup>(16)</sup>        | 6,683     | 6,529     | 6,428      | 6,301     | 6,251     |
| Occupancy % <sup>(16)</sup>     | 95.5%     | 93.9%     | 92.9%      | 91.3%     | 94.4%     |
| Sites for development           | 1,100     | 1,107     | 1,121      | 907       | 1,168     |
| <b>CALIFORNIA</b>               |           |           |            |           |           |
| Communities                     | 31        | 31        | 30         | 30        | 29        |
| Developed sites <sup>(16)</sup> | 5,946     | 5,949     | 5,941      | 5,932     | 5,694     |
| Occupied <sup>(16)</sup>        | 5,896     | 5,902     | 5,897      | 5,881     | 5,647     |
| Occupancy % <sup>(16)</sup>     | 99.2%     | 99.2%     | 99.3%      | 99.1%     | 99.2%     |
| Sites for development           | 56        | 56        | 56         | 59        | 177       |
| <b>ARIZONA</b>                  |           |           |            |           |           |
| Communities                     | 13        | 13        | 12         | 11        | 11        |
| Developed sites <sup>(16)</sup> | 4,235     | 4,238     | 3,836      | 3,826     | 3,804     |
| Occupied <sup>(16)</sup>        | 3,842     | 3,830     | 3,545      | 3,515     | 3,485     |
| Occupancy % <sup>(16)</sup>     | 90.7%     | 90.4%     | 92.4%      | 91.9%     | 91.6%     |
| Sites for development           | —         | —         | —          | —         | —         |
| <b>ONTARIO, CANADA</b>          |           |           |            |           |           |
| Communities                     | 15        | 15        | 15         | 15        | 15        |
| Developed sites <sup>(16)</sup> | 3,929     | 3,832     | 3,845      | 3,832     | 3,752     |
| Occupied <sup>(16)</sup>        | 3,929     | 3,832     | 3,845      | 3,832     | 3,752     |
| Occupancy % <sup>(16)</sup>     | 100.0%    | 100.0%    | 100.0%     | 100.0%    | 100.0%    |
| Sites for development           | 1,675     | 1,675     | 1,682      | 1,662     | 1,662     |
| <b>INDIANA</b>                  |           |           |            |           |           |
| Communities                     | 11        | 11        | 11         | 11        | 11        |
| Developed sites <sup>(16)</sup> | 3,089     | 3,089     | 3,089      | 3,089     | 3,089     |
| Occupied <sup>(16)</sup>        | 2,849     | 2,823     | 2,772      | 2,778     | 2,791     |
| Occupancy % <sup>(16)</sup>     | 92.2%     | 91.4%     | 89.7%      | 89.9%     | 90.4%     |
| Sites for development           | 277       | 277       | 277        | 277       | 277       |
| <b>OHIO</b>                     |           |           |            |           |           |
| Communities                     | 9         | 9         | 9          | 9         | 9         |
| Developed sites <sup>(16)</sup> | 2,770     | 2,770     | 2,770      | 2,770     | 2,767     |
| Occupied <sup>(16)</sup>        | 2,705     | 2,704     | 2,693      | 2,694     | 2,698     |
| Occupancy % <sup>(16)</sup>     | 97.7%     | 97.6%     | 97.2%      | 97.3%     | 97.5%     |
| Sites for development           | 59        | 59        | 59         | 59        | 59        |

**Property Summary**  
(includes MH and Annual RVs)

| COMMUNITIES                           | 6/30/2019             | 3/31/2019 | 12/31/2018 | 9/30/2018 | 6/30/2018 |
|---------------------------------------|-----------------------|-----------|------------|-----------|-----------|
| <b>COLORADO</b>                       |                       |           |            |           |           |
| Communities                           | 8                     | 8         | 8          | 8         | 8         |
| Developed sites <sup>(16)</sup>       | 2,335                 | 2,335     | 2,335      | 2,335     | 2,335     |
| Occupied <sup>(16)</sup>              | 2,323                 | 2,323     | 2,320      | 2,313     | 2,319     |
| Occupancy % <sup>(16)</sup>           | 99.5%                 | 99.5%     | 99.4%      | 99.1%     | 99.3%     |
| Sites for development                 | 2,129                 | 2,129     | 2,129      | 2,129     | 1,819     |
| <b>OTHER STATES</b>                   |                       |           |            |           |           |
| Communities                           | 75                    | 72        | 69         | 69        | 68        |
| Developed sites <sup>(16)</sup>       | 16,493                | 16,354    | 15,847     | 15,458    | 15,367    |
| Occupied <sup>(16)</sup>              | 16,026                | 15,826    | 15,323     | 14,932    | 14,786    |
| Occupancy % <sup>(16)</sup>           | 97.2%                 | 96.8%     | 96.7%      | 96.6%     | 96.2%     |
| Sites for development                 | 2,705                 | 2,987     | 3,048      | 3,195     | 3,233     |
| <b>TOTAL - PORTFOLIO</b>              |                       |           |            |           |           |
| Communities                           | 382                   | 379       | 371        | 370       | 367       |
| Developed sites <sup>(16)</sup>       | 112,564               | 112,175   | 108,963    | 108,142   | 107,192   |
| Occupied <sup>(16)</sup>              | 108,788               | 108,131   | 104,766    | 103,898   | 103,040   |
| Occupancy % <sup>(16)</sup>           | 96.6% <sup>(17)</sup> | 96.4%     | 96.1%      | 96.1%     | 96.1%     |
| Sites for development <sup>(18)</sup> | 10,823                | 11,246    | 11,258     | 11,315    | 11,398    |
| % Communities age restricted          | 31.4%                 | 31.7%     | 32.1%      | 32.2%     | 32.2%     |

**TRANSIENT RV PORTFOLIO SUMMARY**

| Location                 | 6/30/2019     | 3/31/2019     | 12/31/2018    | 9/30/2018     | 6/30/2018     |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Florida                  | 5,693         | 5,650         | 5,917         | 5,786         | 5,942         |
| California               | 1,985         | 1,975         | 1,765         | 1,774         | 1,377         |
| Texas                    | 1,693         | 1,717         | 1,752         | 1,758         | 1,776         |
| Arizona                  | 1,424         | 1,421         | 1,423         | 1,057         | 1,079         |
| Maryland                 | 1,380         | 1,375         | 1,381         | 1,386         | 1,386         |
| Ontario, Canada          | 1,043         | 1,131         | 1,046         | 1,056         | 1,133         |
| New York                 | 935           | 929           | 925           | 910           | 928           |
| New Jersey               | 875           | 906           | 884           | 893           | 906           |
| Maine                    | 848           | 857           | 572           | 578           | 591           |
| Michigan                 | 584           | 611           | 576           | 629           | 350           |
| Indiana                  | 519           | 519           | 519           | 519           | 519           |
| Other locations          | 3,606         | 3,082         | 2,731         | 3,086         | 3,020         |
| Total transient RV sites | <u>20,585</u> | <u>20,173</u> | <u>19,491</u> | <u>19,432</u> | <u>19,007</u> |

## Capital Improvements, Development, and Acquisitions

(amounts in thousands except for \*)

|                 | Recurring Capital Expenditures Average/Site* | Recurring Capital Expenditures <sup>(19)</sup> | Lot Modifications <sup>(20)</sup> | Acquisitions <sup>(21)</sup> | Expansion & Development <sup>(22)</sup> | Revenue Producing <sup>(23)</sup> |
|-----------------|--|--|-----------------------------------|------------------------------|---|-----------------------------------|
| <b>YTD 2019</b> | \$ 111                                       | \$ 11,061                                      | \$ 11,825                         | \$ 371,096                   | \$ 123,393                              | \$ 5,647                          |
| <b>2018</b>     | \$ 263                                       | \$ 24,265                                      | \$ 22,867                         | \$ 414,840                   | \$ 152,672                              | \$ 3,864                          |
| <b>2017</b>     | \$ 214                                       | \$ 14,166                                      | \$ 18,049                         | \$ 204,375                   | \$ 88,331                               | \$ 1,990                          |

## Operating Statistics for MH and Annual RVs

| LOCATIONS                             | Resident Move-outs | Net Leased Sites <sup>(24)</sup> | New Home Sales | Pre-owned Home Sales | Brokered Re-sales |
|---------------------------------------|--------------------|----------------------------------|----------------|----------------------|-------------------|
| Florida                               | 873                | 360                              | 127            | 161                  | 697               |
| Michigan                              | 295                | 279                              | 28             | 690                  | 84                |
| Ontario, Canada                       | 414                | 84                               | 11             | 10                   | 89                |
| Texas                                 | 141                | 255                              | 22             | 179                  | 38                |
| Arizona                               | 45                 | 33                               | 21             | 5                    | 98                |
| Indiana                               | 24                 | 77                               | 2              | 144                  | 10                |
| Ohio                                  | 61                 | 12                               | —              | 73                   | 5                 |
| California                            | 38                 | (1)                              | 12             | 2                    | 29                |
| Colorado                              | 1                  | 3                                | 7              | 35                   | 24                |
| Other locations                       | 597                | 137                              | 34             | 162                  | 56                |
| <b>Six Months Ended June 30, 2019</b> | <b>2,489</b>       | <b>1,239</b>                     | <b>264</b>     | <b>1,461</b>         | <b>1,130</b>      |

| TOTAL FOR YEAR ENDED | Resident Move-outs | Net Leased Sites <sup>(24)</sup> | New Home Sales | Pre-owned Home Sales | Brokered Re-sales |
|----------------------|--------------------|----------------------------------|----------------|----------------------|-------------------|
| 2018                 | 3,435              | 2,600                            | 526            | 3,103                | 2,147             |
| 2017                 | 2,739              | 2,406                            | 362            | 2,920                | 2,006             |

| PERCENTAGE TRENDS | Resident Move-outs | Resident Re-sales |
|-------------------|--------------------|-------------------|
| 2019 (TTM)        | 2.6%               | 7.2%              |
| 2018              | 2.4%               | 7.2%              |
| 2017              | 1.9%               | 6.6%              |

## Footnotes and Definitions

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(1) Investors in and analysts following the real estate industry utilize funds from operations (“FFO”), net operating income (“NOI”), and earnings before interest, tax, depreciation and amortization (“EBITDA”) as supplemental performance measures. The Company believes that FFO, NOI, and EBITDA are appropriate measures given their wide use by and relevance to investors and analysts. Additionally, FFO, NOI, and EBITDA are commonly used in various ratios, pricing multiples, yields and returns and valuation calculations used to measure financial position, performance and value.

- FFO, reflecting the assumption that real estate values rise or fall with market conditions, principally adjusts for the effects of generally accepted accounting principles (“GAAP”) depreciation and amortization of real estate assets.
- NOI provides a measure of rental operations that does not factor in depreciation, amortization and non-property specific expenses such as general and administrative expenses.
- EBITDA provides a further measure to evaluate ability to incur and service debt and to fund dividends and other cash needs.

FFO is defined by the National Association of Real Estate Investment Trusts (“NAREIT”) as GAAP net income (loss), excluding gains (or losses) from sales of depreciable operating property, plus real estate-related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure that management believes is a useful supplemental measure of the Company’s operating performance. By excluding gains and losses related to sales of previously depreciated operating real estate assets, impairment and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO provides a performance measure that, when compared period-over-period, reflects the impact to operations from trends in occupancy rates, rental rates, and operating costs, providing perspective not readily apparent from GAAP net income (loss). Management believes the use of FFO has been beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. The Company also uses FFO excluding certain gain and loss items that management considers unrelated to the operational and financial performance of our core business (“Core FFO”). The Company believes that Core FFO provides enhanced comparability for investor evaluations of period-over-period results.

The Company believes that GAAP net income (loss) is the most directly comparable measure to FFO. The principal limitation of FFO is that it does not replace GAAP net income (loss) as a performance measure or GAAP cash flow from operations as a liquidity measure. Because FFO excludes significant economic components of GAAP net income (loss) including depreciation and amortization, FFO should be used as a supplement to GAAP net income (loss) and not as an alternative to it. Further, FFO is not intended as a measure of a REIT’s ability to meet debt principal repayments and other cash requirements, nor as a measure of working capital. FFO is calculated in accordance with the Company’s interpretation of standards established by NAREIT, which may not be comparable to FFO reported by other REITs that interpret the NAREIT definition differently.

NOI is derived from revenues minus property operating expenses and real estate taxes. NOI is a non-GAAP financial measure that the Company believes is helpful to investors as a supplemental measure of operating performance because it is an indicator of the return on property investment, and provides a method of comparing property performance over time. The Company uses NOI as a key measure when evaluating performance and growth of particular properties and/or groups of properties. The principal limitation of NOI is that it excludes depreciation, amortization, interest expense and non-property specific expenses such as general and administrative expenses, all of which are significant costs. Therefore, NOI is a measure of the operating performance of the properties of the Company rather than of the Company overall.

The Company believes that GAAP net income (loss) is the most directly comparable measure to NOI. NOI should not be considered to be an alternative to GAAP net income (loss) as an indication of the Company’s financial performance or GAAP cash flow from operating activities as a measure of the Company’s liquidity; nor is it indicative of funds available for the Company’s cash needs, including its ability to make cash distributions. Because of the inclusion of items such as interest, depreciation, and amortization, the use of GAAP net income (loss) as a performance measure is limited as these items may not accurately reflect the actual change in market value of a property, in the case of depreciation and in the case of interest, may not necessarily be linked to the operating performance of a real estate asset, as it is often incurred at a parent company level and not at a property level.

EBITDA as defined by NAREIT (referred to as “EBITDA<sub>re</sub>”) is calculated as GAAP net income (loss), plus interest expense, plus income tax expense, plus depreciation and amortization, plus or minus losses or gains on the disposition of depreciated property (including losses or gains on change of control), plus impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity’s share of EBITDA<sub>re</sub> of unconsolidated affiliates. EBITDA<sub>re</sub> is a non-GAAP financial measure that the Company uses to evaluate its ability to incur and service debt, fund dividends and other cash needs and cover fixed costs. Investors utilize EBITDA<sub>re</sub> as a supplemental measure to evaluate and compare investment quality and enterprise value of REITs. The Company also uses EBITDA<sub>re</sub> excluding certain gain and loss items that management considers unrelated to measurement of the Company’s performance on a basis that is independent of capital structure (“Recurring EBITDA”).

The Company believes that GAAP net income (loss) is the most directly comparable measure to EBITDA<sub>re</sub>. EBITDA<sub>re</sub> is not intended to be used as a measure of the Company's cash generated by operations or its dividend-paying capacity, and should therefore not replace GAAP net income (loss) as an indication of the Company's financial performance or GAAP cash flow from operating, investing and financing activities as measures of liquidity.

- (2) Same Community results reflect constant currency for comparative purposes. Canadian currency figures in the prior comparative period have been translated at 2019 actual exchange rates.
- (3) The Same Community occupancy percentage for 2019 is derived from 106,929 developed sites, of which 105,002 were occupied. The number of developed sites excludes RV transient sites and approximately 1,600 recently completed but vacant MH expansion sites. Without the adjustment for vacant expansion sites, the Same Community occupancy percentage is 95.8 percent for MH, 100.0 percent for RV, and 96.7 percent for the blended MH and RV. The MH and RV blended occupancy is derived from 108,573 developed sites, of which 105,002 were occupied. The Same Community occupancy percentage for 2018 has been adjusted to reflect incremental period-over-period growth from filled expansion sites and the conversion of transient RV sites to annual RV sites.
- (4) This is a transferred asset transaction which has been classified as collateralized receivables and the cash received from this transaction has been classified as a secured borrowing. The interest income and interest expense accrue at the same rate and amount.
- (5) Lines of credit includes the Company's MH floor plan facility. The effective interest rate on the MH floor plan facility was 7.0 percent for all periods presented. However, the Company pays no interest if the floor plan balance is repaid within 60 days.
- (6) Other income / (expense), net was as follows (in thousands):

|  | Three Months Ended |               | Six Months Ended |               |
|--|--------------------|---------------|------------------|---------------|
|  | June 30, 2019      | June 30, 2018 | June 30, 2019    | June 30, 2018 |
| Foreign currency translation gain / (loss) | \$ 1,126           | \$ (1,663)    | \$ 3,095         | \$ (4,187)    |
| Contingent liability remeasurement loss    | (63)               | (95)          | (134)            | (188)         |
| Long term lease termination expense        | (42)               | (70)          | (42)             | (70)          |
| Other income / (expense), net              | \$ 1,021           | \$ (1,828)    | \$ 2,919         | \$ (4,445)    |

- (7) The effect of certain anti-dilutive convertible securities is excluded from these items.
- (8) These costs represent the expenses incurred to bring recently acquired properties up to the Company's operating standards, including items such as tree trimming and painting costs that do not meet the Company's capitalization policy.
- (9) Core FFO<sup>(1)</sup> includes an adjustment of \$0.4 million for the three and six months ended June 30, 2019 and \$0.3 million and \$0.7 million for the three and six months ended June 30, 2018 for estimated loss of earnings in excess of the applicable business interruption deductible in relation to our Florida Keys communities that require redevelopment due to damages sustained from Hurricane Irma in September 2017, as previously announced. Amounts recognized in 2018 were received in 2019.
- (10) The renter's monthly payment includes the site rent and an amount attributable to the home lease. Site rent is reflected in Real Property NOI. For purposes of management analysis, site rent is included in Rental Program revenue to evaluate the incremental revenue gains associated with implementation of the Rental Program, and to assess the overall growth and performance of the Rental Program and financial impact on the Company's operations.
- (11) Same Community results net \$8.5 million and \$7.8 million of utility revenue against the related utility expense in property operating and maintenance expense for the quarter ended June 30, 2019 and 2018, respectively. Same Community results net \$16.9 million and \$15.7 million of utility revenue against the related utility expense in property operating and maintenance expense for the six months ended June 30, 2019 and 2018, respectively. The Company adopted ASC 842, the new leasing standard, as of January 1, 2019 which required the reclassification of bad debt expense from Property operating expense to Income from real property. To assist with comparability within Same Community results, bad debt expense has been reclassified to be shown as a reduction of Income from real property for all periods presented.
- (12) Same Community supplies and repair expense excludes \$0.6 million and \$1.5 million for the three and six months ended June 30, 2018, respectively, of expenses incurred for recently acquired properties to bring the properties up to the Company's operating standards, including items such as tree trimming and painting costs that do not meet the Company's capitalization policy.
- (13) Monthly base rent per site pertains to annual RV sites and excludes transient RV sites.
- (14) Calculated using actual results without rounding.
- (15) Acquisitions and other is comprised of eight properties acquired and one property being operated under a temporary use permit in 2019, twenty properties acquired in 2018, three Florida Keys properties that require redevelopment as a result of damage sustained

from Hurricane Irma in 2017, two recently opened ground-up development, one property undergoing redevelopment, two properties that we have an interest in, but do not operate, and other miscellaneous transactions and activity.

- (16) Includes MH and annual RV sites, and excludes transient RV sites, as applicable.
- (17) As of June 30, 2019, total portfolio MH occupancy was 95.7 percent inclusive of the impact of approximately 1,600 recently constructed but vacant MH expansion sites, and annual RV occupancy was 100.0 percent.
- (18) Total sites for development were comprised of approximately 73.6 percent for expansion, 21.6 percent for greenfield development and 4.8 percent for redevelopment.
- (19) Recurring capital expenditures are necessary to maintain asset quality, including purchasing and replacing assets used to operate the community. These capital expenditures include items such as: major road, driveway, pool improvements; clubhouse renovations; adding or replacing street lights; playground equipment; signage; maintenance facilities; manager housing and property vehicles. The minimum capitalized amount is five hundred dollars.
- (20) Lot modification capital expenditures improve the asset quality of the community. These costs are incurred when an existing older home moves out, and the site is prepared for a new home, more often than not, a multi-sectional home. These activities, which are mandated by strict manufacturer's installation requirements and state building code, include items such as new foundations, driveways, and utility upgrades.
- (21) Capital expenditures related to acquisitions represent the purchase price of existing operating communities and land parcels to develop expansions or new communities. These costs for the six months ended June 30, 2019 include \$15.7 million of capital improvements identified during due diligence that are necessary to bring the communities to the Company's operating standards. For the years ended December 31, 2018 and 2017, these costs were \$94.6 million and \$84.0 million, respectively. These include items such as: upgrading clubhouses; landscaping; new street light systems; new mail delivery systems; pool renovation including larger decks, heaters, and furniture; new maintenance facilities; and new signage including main signs and internal road signs. These are considered acquisition costs and although identified during due diligence, often require 24 to 36 months after closing to complete.
- (22) Expansion and development expenditures consist primarily of construction costs and costs necessary to complete home site improvements, such as driveways, sidewalks and landscaping.
- (23) Capital costs related to revenue generating activities consist primarily of garages, sheds, sub-metering of water, sewer and electricity. Revenue generating attractions at our RV resorts are also included here and, occasionally, a special capital project requested by residents and accompanied by an extra rental increase will be classified as revenue producing.
- (24) Net leased sites do not include occupied sites acquired during that year.

Certain financial information has been revised to reflect reclassifications in prior periods to conform to current period presentation.