BLUEPRINT FOR SUCCESS
Building Customer Loyalty
Dear Team Member,

Providing extraordinary customer service to our residents is the key to our future success and to the long term growth of Sun Communities, Inc.

To support this, we have developed a very simple Customer Service Philosophy:

“Treat others the way you want to be treated.”

This is the Golden Rule — and for Sun it is further supported by the following:

- Maintaining our communities and homes
- Providing a great value for our customers
- Listening to the “Voice of the Customer” and responding
- Taking a more direct and individual action approach to resident communication
- Maintaining CLEAR Communication, HIGH Visibility, and a GREAT Attitude
- Taking a team learning approach that inspires commitment rather than compliance
- Measuring our performance from top to bottom

Our team is our greatest asset. Both individually and as a group, our effective execution of these principles will build our “resident sales force” and make our company markedly better than any of our competitors.

Since measuring how we are doing is paramount to our success as a company, we have developed this guide as an additional tool to help you clearly understand how we measure our customer service success. While most of what is written here is information you are already very familiar with, we have broken it down into smaller components for easier reference. Please take this opportunity to share this guide with your team and refer to it frequently.

On behalf of the entire Executive Management Team, thank you for your continued focus on this important effort. We very much look forward to hearing from you about your ideas and successes as we continue growing our Customer-Centric Culture.

Sincerely,

John B. McLaren
Chief Operating Officer
Our Vision Statement

“We are an inspired, engaged and collaborative team committed to providing extraordinary service to our residents, customers and each other.”

Inspired, Engaged and Collaborative Team Members

• Commitment to fun and practical team member training and development
• Commitment to leading by example
• Commitment to a never give up attitude
• Commitment to our success attributes
• Commitment to a team learning culture
• Commitment to direct and honest performance feedback
• Measure our results

Extraordinary Service to Our Residents, Customers and Each Other

• Commitment to impeccably maintained communities
• Commitment to financial re-investment into our communities
• Commitment to a crisp, clean, and comfortable environment
• Commitment to listening and responding to the “Voice of the Customer”
• Commitment to building value through action
• Commitment to communication, visibility, attitude
• Commitment to “The Golden Rule”
• Measure our results

Capitalize on Our Resident Sales Force Through Our Commitment to Extraordinary Customer Service
DEFINING NET PROMOTER SCORE AND WHY IT WAS ESTABLISHED

Finding new and creative ways to market your community, its amenities and homes to prospective residents can be a daunting task. Advertising is costly and the ways individuals search for places to live change more and more frequently. As a team, we consistently search for that magical combination of print and web advertising that will guarantee traffic continues to flow through our doors.

Wouldn’t you agree that a better way to identify a qualified prospect might come from a satisfied friend or family member already living in your Sun community?

There is no better indicator to assure meaningful organic growth — growth in revenue from existing operations — and sustained profitability for a company than the likelihood of its customers enthusiastically recommending that company to others.

Net Promoter Score (NPS) is based on the thought that ordinary customers can be turned into Promoters of our communities. Companies with the highest ratio of Promoters to Detractors distinguish “good profits” from “bad profits” and illuminate the true path to sustainable growth.

You may ask how any type of profit could be bad. Bad profits are earned at the expense of customer relationships. They don’t show up on financial statements, but they do provide a distorted picture of a company’s operations, choking off its best opportunities and making the company vulnerable to competitors. Bad profits typically create Detractors — individuals who feel poorly treated or ignored, warn others to stay away from the company, and when possible, move to competitor communities.

Good profits are earned with a customer’s enthusiastic support. These customers are so pleased with their experience that they spread the word to their friends and essentially become an extension of the company’s sales force.

“If you aren’t going all the way, why go at all?”

Joe Namath
OUR OBJECTIVE: WHAT GETS MEASURED GETS DONE

Superior market share and a world-class Net Promoter Score are excellent goals, but achieving and sustaining them requires building strong and long-lasting relationships with customers. Our lifeblood is our family of over 100,000 residents. Maintaining an exceptional relationship with them is our ultimate goal to achieving long-term growth and profitability.

Sun has put into place a comprehensive program that will allow the company to assess the current and ongoing satisfaction of these residents. Satisfied residents act — they inevitably become our strongest sales force, promoting the benefits of Sun and the value of community living to family and friends. They bring in new business — thereby increasing our occupancy.
Delighting customers by exceeding their expectations would seem at first to be the ideal solution to earning their loyalty, but it isn’t always the best solution. Respecting our customers and resolving any issues that arise correctly and in a timely manner proves far more beneficial to overall customer satisfaction.

This “customer-centric” approach to conducting business focuses on creating a positive experience for our customers from the point of initial contact through the point of sale / purchase and continuing throughout the term of their residency. Guiding ourselves by the following principles, we differentiate ourselves from the competition and secure our future success.

**COMMITMENT**
We are a team that performs at our very best — for each other, and for our customers.

**INTENSITY**
We get the job done now, maintaining a “whatever it takes” attitude in achieving our goals and meeting customer expectations.

**ACCOUNTABILITY**
We are fully responsible for our actions and their effect on our team members and customers.

**CUSTOMER SERVICE**
We radiate a positive attitude, communicate openly and remain highly visible to our customers.

“Treat others the way you want to be treated.”

The Golden Rule and the Sun Communities, Inc. Customer Service Philosophy
Section 2: Our Service Philosophy

Our Customer Service Philosophy is simple:
“Treat others the way you want to be treated.”

How do we do this?
• Provide comparative value for our customers
• Maintain our communities and homes in exceptional condition
• Reinvest money into our communities / homes through visible and functional cap-ex spending
• Listen to the “Voice of the Customer” — using “please” and “thank you” often during the course of business
• Make fewer generalizations — talk more directly with customers and residents and take individual action
• Be clear in communication, be highly visible and have a great attitude
• Use key customer service phrases: “How may I help you?” and “I need your help.”
• Promote a team learning approach that inspires commitment rather than compliance
• Under-promise and over-deliver
• Measure performance from top to bottom
• Lead by example

Our TEAM is our greatest asset.
an inspired team = satisfied customers
NPS TERMINOLOGY

The Ultimate Question is the key to connecting loyalty with growth, thus distinguishing good profits from bad profits. This single question will determine a company’s Net Promoter Score.

**The Ultimate Question**

“On a scale from 0 to 10, with 10 being most likely, how likely would you be to refer a friend or family member to live in your community?”

PROMOTERS – Residents responding with a rating of 9 or 10

Promoters enthusiastically praise and brag about their experience. They actively promote their community as a great place to live and encourage others to join them.

PASSIVES – Residents responding with a rating of 7 or 8

Passives are generally satisfied with the community, but do not actively promote it. They can be readily swayed to move elsewhere for a better deal and are easy targets for competitors.

DETRACTORS – Residents responding with a rating of 6 or less

Detractors are unhappy residents who actively criticize your community and tell others not to live there.

By asking our residents The Ultimate Question, our company as a whole, as well as the actions of individual team members, become far more transparent. Results from this program will determine the future direction of our business, identify strengths and weaknesses in our operations, hold our team members accountable for the responses residents provide, and permit our team members to better manage customer loyalty by creating a more meaningful relationship with our residents.

“We are an inspired, engaged and collaborative team committed to providing extraordinary service to our residents, customers and each other.”

*Sun Communities, Inc. Vision*
**CALCULATING NPS**

NPS is expressed as a percentage (%). The score is calculated by taking the percentage of **Promoters** at your community and subtracting from them the percentage of **Detractors** at your community. **Passives**, those who are not overly satisfied or dissatisfied with community living, carry no real weight, and are therefore removed entirely from the scoring process.

Here is an example of how NPS is calculated:

<table>
<thead>
<tr>
<th>Score</th>
<th>% of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>66%</td>
</tr>
<tr>
<td>9</td>
<td>5%</td>
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<td>8</td>
<td>8%</td>
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<tr>
<td>7</td>
<td>4%</td>
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<td>6</td>
<td>1%</td>
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<td>5</td>
<td>4%</td>
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<td>4</td>
<td>1%</td>
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<tr>
<td>3</td>
<td>1%</td>
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<tr>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>0</td>
<td>8%</td>
</tr>
</tbody>
</table>

\[ \text{Promoters - Detractors} = \text{NPS} \]

\[ (71\% - 17\% = 54\%) \]

Net Promoter Scores of 50% or higher are excellent and this is our goal. Some of the most impressive companies in the world guide their operations by means of their NPS. Many of these firms are names well-known to all of us:

- **Costco** (79% NPS)
- **Amazon.com** (73% NPS)
- **eBay** (71% NPS)
- **Apple** (66% NPS).

Each of these companies have exceptional Net Promoter Scores.

**IMPLEMENTING THE PROGRAM: WHY THE ULTIMATE QUESTION?**

In order to assess the satisfaction of a resident, you have to be able to reach them to obtain their feedback. Typically, this was accomplished via lengthy written surveys that attempted to rate that resident’s happiness or displeasure with a product or service experience.

Unfortunately, written surveys prove to be problematic: residents must take time to respond to the survey by return mail, by utilizing some type of online survey format or by automated telephone response. Often, notifications to residents are undeliverable via US mail, online surveys bounce back because of invalid e-mail addresses, resident responses are incomplete due to a loss of interest during the response process, or responses simply are not provided at all.

When issues related to a poor experience are raised, it becomes difficult to prioritize what the corporate response should be, who should deliver it, and how best to provide subsequent follow up.

Finally, even with completed surveys, there is often a “disconnect” between scoring and growth. Those scoring well on the prestigious J.D. Power surveys often prove to be unprofitable.
Our NPS program is conducted by telephone through a 3rd party surveying firm and will proceed down two paths:

**RELATIONAL**
Residents who have lived in our communities for one year or longer will be surveyed once per year and asked *The Ultimate Question.*

**TRANSACTIONAL**
New residents will be surveyed within the first ninety days of residency and asked *The Ultimate Question.*

NPS works because of its simplicity. By calling our residents and asking them *The Ultimate Question*, their response will provide all we need to know about them, and the ease of that response aids significantly in their participation.

Results from our surveys will be published monthly and quarterly. High Net Promoter Scores may be leveraged in order to generate more business. The intent of this program is clear: to permit team members to better manage customer satisfaction and customer loyalty. The relationships we nurture today will foster sustained occupancy growth in the future.
As the individuals who oversee the day-to-day management of your communities, Community Managers and Sales Representatives have the ultimate responsibility for prospect and resident satisfaction, as well as community profitability. Please find below a list of questions you should be asking yourself as you begin each work day.

- Have you visited your 3 contacts each day?
- Are you standing when greeting residents and prospective residents?
- Are you using key customer service phrases “How may I help you?” and “I need your help?”
- Are you welcoming prospective residents by placing their names on your marquee board?
- Have you been guiding your prospects through the leasing and sales process by following the Art of Sales guidelines?
- Are you maintaining high visibility and driving through the property at least twice per day?
- Are you endorsing company changes through positive attitude and communication?
- Do you provide quick and thorough service for prospect and resident requests or concerns?
- Are you practicing “10 for 10” — helping residents “on the spot” with requests that can be handled in 10 minutes or less?
- Are you meeting residents face-to-face wherever possible and greeting them by name?
- Do you consider the community from a resident’s point of view?
- Are you following up within 24 hours of each service call to ensure resident satisfaction?
- Are you listening to prospect calls in Call Source, confirming that office staff use the “Basics of Every Sales Call” and appropriately address a prospective resident’s questions? Are you providing positive feedback when they do?
- Are you leaving a “Sorry We Missed You” door knocker when stopping at a resident’s home who is out?

"If we all did the things we are capable of, we would astound ourselves.”

Thomas Edison
• Is your inventory clean and presentable every time you show a home?
• Are you conducting walk-thru’s with new residents, pointing out important home features, and advising residents how to operate them (e.g. thermostat and appliances)?
• Are you enforcing community rules and regulations consistently and fairly with all of your residents so they have no reason to harbor ill will toward the community and its staff?
• Are you scheduling and participating in monthly resident relations events, as well as soliciting ideas from residents for other types of community events?
• Are you responding promptly to community-related issues (e.g. weather conditions, water main breaks)?
• From what you’ve learned in customer service classes through Sun University, are you leading these same training sessions for your office staff?
• Are you leading weekly team member meetings and scheduling tasks appropriately?
• Do you represent Sun in a professional manner at all times?
“Always bear in mind that your own resolution to succeed is more important than any other.”

Abraham Lincoln
• Are you out in the community and visible at least 1 hour each day?
• Have you been guiding your prospects through the leasing and sales process by following the Art of Sales guidelines?
• Are you working with your Community Manager to schedule lunch breaks at the appropriate time so the telephone and reception areas are covered during open office hours?
• Have you enhanced your education by utilizing Sun University’s array of courses?
• Are you a team player, assisting your team members wherever possible?
• Do you represent Sun in a professional manner at all times?
“IN ORDER TO SUCCEED, YOU DESIRE FOR SUCCESS SHOULD BE GREATER THAN YOUR FEAR OF FAILURE.”

*Bill Cosby*

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**Focus on:**
Communication • Visibility • Attitude • Golden Rule

R esponsible for the upkeep of property grounds, facilities, streets, equipment, utility systems, etc., our Maintenance Staff are the “eyes” of residents and prospective residents, creating the first impression they see and assisting in promoting a positive atmosphere within the community. Please find below a list of questions you should be asking yourself as you begin each work day.

- Are you greeting residents in a friendly manner (smiling and waving hello) when you are out in the community?
- Are the community grounds (clubhouse, amenities, home sites, parking lots, entryways and refuse areas) being maintained at the start of each day?
- Are you practicing “10 for 10” — helping residents “on the spot” with requests that can be handled in 10 minutes or less?
- For service requests that take longer than 10 minutes, are you completing Community Maintenance Request Forms, confirming they are addressed, and following up on completion?
- When completing maintenance requests in lease homes, are you fixing other noticeable small repairs?
- Are you utilizing a Community Maintenance Request Form after working on occupied resident homes, so residents know you were there and that the requested work has been completed?
- Are you leaving a “Sorry We Missed You” door knocker when stopping at a resident’s home who is out?
- Are you forwarding all resident work requests that you are unable to resolve on your own to your Community Manager, by end of day?
- Do you take a proactive approach to informing your community manager about areas needing repair and suggest improvements that might bring benefit to the community and its residents?
- Are you paying close attention to detail so that the maintenance of the community is a reflection of your hard work?
- Are you maintaining company vehicles and golf carts in a clean and neat condition?
• Are you abiding by the approved dress code each day (tucked in long or short sleeved shirts, pants or shorts, polo-style shirts, work boots, jackets and Sun logo caps)?

• Are you a team player, assisting your team members wherever possible?

• Do you represent Sun in a professional manner at all times?

SECTION 7

MAIN OFFICE STAFF

Your Impact & NPS Responsibilities
The ability to concentrate and to use your time well is everything if you want to succeed in business — or almost anywhere else for that matter.”

Lee Iacocca
SECTION 8

STRENGTHS OF SUN
Sun Communities was established in 1975 and became a publicly traded company in 1993 (NYSE: SUI). We celebrate many years of committed service to our team members and family of residents. With a portfolio of more than 180 communities in 24 states, Sun is one of the nation’s largest and most well-respected real estate investment trusts specializing in the management, development, and operation of manufactured housing and RV resorts.

Sun and its subsidiaries employ more than 1,200 team members throughout the year (more than 1,320 during summer months), and we are part of an experienced team that prides itself on working together to achieve excellence in customer service and community excellence. Their efforts, day in and day out, are valued and help our company focus on overall growth.

Over 100,000 residents call a Sun community “home.” We value the relationships we have developed with our residents, and we continue to strengthen those bonds by making our communities superior in every way — from appearance to amenities to exceptional housing value. We do this for one specific reason: our residents.

“The whole is only as good as the sum of its parts.”

Anonymous
Satisfied residents will share their story with family and friends, and those individuals represent an excellent opportunity for the company to grow and prosper. Clearly, the way in which we operate matches perfectly with the NPS program. Responses to The Ultimate Question will enable community management to better assess their relationship with community residents, to resolve outstanding issues that may exist, and create Promoters out of each and every resident.

Our company is 100% committed to the NPS program and the value it will bring.
How we treat our residents has a direct impact on how they feel about our communities and management staff, and how well they speak about Sun to family, friends, neighbors and business associates. Guiding yourself by our Customer Service Philosophy ("treat others the way you want to be treated") and going the extra mile, will ensure a base of satisfied residents who will then become your “resident sales force.” Here are some helpful tips to raising your Net Promoter Score.

COMMUNICATION AND ATTITUDE

• Follow the 80 / 20 rule: listen 80% of the time and speak 20% of the time. Give both residents and prospective residents the courtesy of being heard.

• Get into habit of saying “thank you” and sending quick thank you notes to residents, prospects and community staff.

• Be responsive to resident issues and maintenance concerns. Be realistic with your “response time” so as not to set unrealistic expectations. Always follow through with your commitments. Your word is your bond with our residents.

• Knock on a resident’s door and compliment him / her on an exceptionally maintained home or home site.

• Solicit suggestions from your residents about how they might be better served, and raise those suggestions with your supervisor so we might find a way to implement them.

• Drive or walk through the community using a different route each day to remain visible and to show appreciation to residents for their residency.

• Hold team meetings for your staff each week and have them relay at least one “above and beyond” service that they were able to provide to a resident.

• Make calls to residents shortly after move-in to inquire about how they are enjoying their new home.

"We are what we repeatedly do. Excellence therefore is not an act but a habit.”

Aristotle
• Try to personalize the renewal process for residents by inviting them to meet with you at the office, as opposed to waiting for them to respond to renewal letters. This opens the door to discussing the purchase of lease homes.
• Remember to smile, stay positive and be honest and ethical each and every day.
• Recognize good behavior and provide positive reinforcement to those who follow the community rules.
• Provide assistance, where possible, to our residents.
• Ask satisfied residents for referrals.

YOUR COMMUNITY AND ITS APPEARANCE

• Curb appeal standards must be second-to-none.
• An organized environment speaks well for how you manage your community.
• Keep offices neat and clean, and remind staff to be appropriately dressed at all times.
• Schedule vendor services for residents, including home and deck pressure washing, skirting repair / replacement, etc.
• Maintain higher standards than your competitors. Enforce rules evenly for exceptional curb appeal.
• Available homes should be kept in excellent condition — you only have one chance to “wow” a prospective resident.

Follow the 80 / 20 rule.

COMMUNITY ACTIVITIES AND EVENTS

• Empower your team members to “think outside the box” about ways to enrich the lives of residents and encourage a true community atmosphere.
• Establish “theme weeks” that foster community involvement, including home improvement, garage sales, yard maintenance and resident pride events.
• Consider early bird rent contests with drawings for restaurant gift cards.
• Hold breakfast, donut or pizza parties for residents who pay their rent on the 1st of the month.
• Provide awards and / or small gifts to residents for yard beautification, exceptional service to the community, unexpected acts of kindness and for resident milestones.
• Host a gardening day at your community by passing out seed packets, or by purchasing plants and shrubs at affordable prices, and selling / delivering them to residents.
• Build community cohesiveness by inviting residents to support local charity events / walks.
• Solicit the donation of canned food during the holiday seasons.
• Hold periodic appreciation events for residents: holiday parties, movie nights and other events that bring families together.

Sample Community Event Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 9</td>
<td>Sledding Party</td>
</tr>
<tr>
<td>January 10</td>
<td>“Biggest Loser” Challenge</td>
</tr>
<tr>
<td>February 26</td>
<td>Bingo Night</td>
</tr>
<tr>
<td>April 3</td>
<td>Easter Egg Hunt</td>
</tr>
<tr>
<td>April 23</td>
<td>Bingo Night</td>
</tr>
<tr>
<td>May 1</td>
<td>Make Your Own Bird Feeder</td>
</tr>
<tr>
<td>May 8</td>
<td>Kids Day</td>
</tr>
<tr>
<td>May 8</td>
<td>Garden Meeting</td>
</tr>
<tr>
<td>June 25</td>
<td>Michigan Adventure Trip</td>
</tr>
<tr>
<td>July 3</td>
<td>Fourth of July Cookout</td>
</tr>
<tr>
<td>July 17</td>
<td>Bike Ride</td>
</tr>
<tr>
<td>July 23</td>
<td>Bingo Night</td>
</tr>
<tr>
<td>August 21</td>
<td>Kids Rock Star Day</td>
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<tr>
<td>September 18</td>
<td>Texas Hold ’Em Tournament</td>
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<tr>
<td>September 24</td>
<td>Bingo Night</td>
</tr>
<tr>
<td>October 23</td>
<td>Pumpkin Carving</td>
</tr>
<tr>
<td>October 30</td>
<td>Halloween Party</td>
</tr>
<tr>
<td>November 15</td>
<td>Chili Cook Off</td>
</tr>
<tr>
<td>December 10</td>
<td>Bingo Night</td>
</tr>
<tr>
<td>December 18</td>
<td>Cookie Exchange</td>
</tr>
</tbody>
</table>
Section 9: Great Customer Service & Increasing Your NPS

RESIDENT ANNOUNCEMENTS

- Communicate value! Publish community capital improvements in common areas to build excitement with residents and show them value being received for their payment of rent.
- Eliminate language barriers for those residents dominant in languages other than English by providing appropriate translation of materials being distributed to them.
- View the community newsletter as a benefit, not a burden — it is the easiest way to communicate important programs, seasonal events and safety concerns to our residents.

- Provide regular communication with our residents about referral programs — an easy way for them to make money and offset monthly rent expense.

- Recognize births, passings, weddings and new resident move-ins on bulletin boards and in your community newsletter.

TRAINING, DEVELOPMENT, AND RECOGNITION

- Provide coaching to team members and empower them to resolve resident issues promptly.
- Involve all team members in the NPS program by teaching what Promoters, Passives and Detractors are, and encourage them to find ways to turn unhappy residents into satisfied members of your community.
- Ask your staff periodically what they did to help out a community resident.
- Thank team members with a surprise lunch or dinner for their ongoing efforts to promote the community in its best light and improve its overall appearance.
- Teach maintenance staff proactive measures for correcting rule violations before issues become too heated for peaceful resolution (i.e. “nice notes” before formal rule violation notices).
• Log in regularly to Sun’s intranet, SunInfoShare, and take advantage of our online collaborative learning center. Use the discussion forums and blog houses to ask and answer questions, or to share important information and tips with team members across the country.

• Recognize team members for providing exceptional customer service or going above and beyond expectations with Sun Rewards Program, our points-based rewards site. All team members — including regular full-time and regular part-time staff — are eligible to participate and points can be redeemed for thousands of gifts. You can even send “thank you” cards for a job well done!
NPS & Its Importance

Measuring NPS Success & Driving Growth

Our Service Philosophy

Community Managers & Sales Representatives

Office Coordinators

Maintenance Staff

Main Office Staff

Strengths of Sun

Great Customer Service & Increasing Your NPS

Net Promoter, NPS, and Net Promoter Score are trademarks of Satmetrix Systems, Inc., Bain & Company, Inc. and Fred Reichheld.