Risk Factors Comparison 2024-02-28 to 2023-02-23 Form: 10-K

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Our prospects are subject to certain uncertainties and risks. Our future results could differ materially from current results, and our actual results could differ materially from those projected in forward- looking statements as a result of certain risk factors. These risk factors include, but are not limited to, those set forth below, other one- time events, and important factors disclosed previously and from time to time in our other filings with the SEC. **If we fail** to maintain an effective system of internal controls,we may not be able to accurately report financial results,which could result in a loss of investor confidence and adversely affect the market price of our common stock.We are required to establish and maintain internal control over financial reporting and disclosure controls and procedures.Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.Disclosure controls and procedures are processes designed to ensure that information required to be disclosed is communicated to management and reported in a timely manner.We cannot be certain that we will **be** ~~successfully~~ -- **successful in continuing to** maintain adequate control over our financial reporting and disclosure controls and procedures ~~.See" Controls and Procedures" in Part II,Item 9A,of this Annual Report on Form 10- K for a discussion of the material weakness in our internal control over financial reporting that management has concluded exist in connection with preparing our financial statements for the year ended December 31,2023~~ .Deficiencies,including any material weakness,in our internal control over financial reporting that may occur could result in misstatements or restatements of our financial statements or a decline in the price of our securities.In addition, **as our business continues** to ~~the extent~~ **grow,and as** we **continue to** make ~~additional~~ significant acquisitions,our internal controls will become more complex and may require significantly more resources to ensure that our disclosure controls and procedures remain effective.Acquisitions can pose challenges in implementing the required processes,procedures and controls in the operations of the companies that we acquire.Companies that are acquired by us may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by the securities laws that currently apply to us. ~~SUN COMMUNITIES,INC.~~ Moreover,the existence of any material weakness or significant deficiency in our internal controls and procedures ~~has required and~~ would require management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiencies and management may not be able to remediate any such material weaknesses or significant deficiencies in a timely manner **.If we cannot provide reliable financial reports,our reputation and operating results could be materially adversely affected,which could also cause investors to lose confidence in our reported financial information,which in turn could result in a reduction in the trading price of our common stock.** MATERIAL RISKS RELATING TO OUR MH, RV AND MARINA BUSINESSES General economic conditions and the concentration of our MH, RV and ~~Marina~~ **marina** properties in certain geographic areas may affect our ability to generate ~~sufficient~~ revenue. The market and economic conditions in our current markets generally, and specifically in metropolitan areas of our current markets, may significantly affect occupancy or rental rates. Occupancy and rental rates, in turn, may significantly affect our revenues, and if our properties do not generate revenues sufficient to meet our operating expenses, including debt service and capital expenditures, our cash ~~flow~~ **flows** and ability to pay or refinance our debt obligations could be adversely affected. As of December 31, ~~2022~~ **2023** , 150 of our MH and RV communities and marinas, representing 21. ~~7~~ **8** % of developed sites, are located in Florida; ~~91~~ **92** communities, representing 16. ~~3~~ **5** % of developed sites, are located in Michigan; 55 communities, representing 9. 4 % of developed sites, are located in the UK; 48 communities, representing 6. 4 % of developed sites, are located in California; and ~~34~~ **32** communities, representing 5. ~~9~~ **7** % of developed sites, are located in Texas. As of December 31, ~~2022~~ **2023** , we have revenue concentrations of marinas in Florida, Rhode Island and **Georgia** ~~New York~~ of approximately ~~34~~ **32** . ~~3~~ **8** %, **8** ~~9. 9 % and 6~~ . 7 % **and 8. 0 %** , respectively. As a result of the geographic concentration of our MH and RV communities in Florida, Michigan, the UK, California and Texas, and of our marinas in Florida, Rhode Island and **Georgia** ~~New York~~ , we are exposed to the risks of downturns in local economies or other local real estate market conditions which could adversely affect occupancy rates, rental rates and property values in these markets. Our revenue would also be adversely affected if tenants **and members** were unable to pay rent or if sites were unable to be rented on favorable terms. If we were unable to promptly relet or renew the leases for a significant number of the sites, or if the rental rates upon such renewal or reletting were significantly lower than expected rates, then our business and results of operations could be adversely affected. In addition, certain expenditures associated with each property (such as real estate taxes and maintenance costs) generally are not reduced when circumstances cause a reduction in income from the property. Furthermore, real estate investments are relatively illiquid and, therefore, will tend to limit our ability to vary our portfolio promptly in response to changes in economic or other conditions. The following factors, among others, may adversely affect the revenues generated by our properties: • ~~Outbreaks of disease~~ **the international, national and local economic climate which may be adversely impacted by, among other factors, plant closings, industry slowdowns and inflation; • local real estate market conditions** such as ~~Covid~~ **the oversupply of MH and RV sites or a reduction in demand for MH and RV sites in an area, and an oversupply of, or a reduced demand for, manufactured homes; • increased operating costs, including insurance premiums, real estate taxes and utilities; • competition from other available MH and RV communities and alternative forms of housing (such as apartment buildings and site** - ~~19~~ **built single- family homes), and other marinas; • a decrease in the number of people interested in the RV lifestyle or boating; • outbreaks of disease** and related restrictions on business operations; • ~~The international, national and local economic climate which may be adversely impacted by, among other factors, plant closings, industry slowdowns and~~

~~inflation; • Local real estate market conditions such as the oversupply of MH and RV sites or a reduction in demand for MH and RV sites in an area, and an oversupply of, or a reduced demand for, manufactured homes; • A decrease in the number of people interested in the RV lifestyle or boating; • Changes~~ **changes** in foreign currency exchange rates, including between the U. S. dollar and each of the Canadian dollar, ~~the~~ Australian dollar and Pound sterling; • ~~The~~ **the** number of repossessed homes in a particular market; • ~~The~~ **the** difficulty facing potential purchasers in obtaining affordable financing as a result of heightened lending criteria; • ~~An~~ **an** increase or decrease in the rate of manufactured home repossessions which provide aggressively priced competition to new manufactured home sales; • ~~The~~ **the** lack of an established MH dealer network; • ~~The~~ **the** housing rental market which may limit the extent to which rents may be increased to meet increased expenses without decreasing occupancy rates; • ~~The~~ **the** perceptions by prospective tenants of the safety, convenience and attractiveness of our MH properties and the neighborhoods where they are located; • ~~Zoning~~ **zoning** or other environmental regulatory restrictions; ~~SUN COMMUNITIES, INC.~~ • **our** ~~Competition from other available MH and RV communities and alternative forms of housing (such as apartment buildings and site- built single- family homes), and other marinas; • Our~~ ability to effectively manage, maintain and insure our properties; **and** • **the** ~~Increased operating costs, including insurance premiums, real estate taxes and utilities; and • The~~ enactment of rent control laws or laws taxing the owners of manufactured homes. We may not be able to integrate or finance our expansion and development activities. We build and develop new MH and RV communities and marinas and we expand existing communities and marinas. Our construction and development pipeline may be exposed to the following risks which are in addition to those risks associated with the ownership and operation of established MH and RV communities and marinas: • ~~We~~ **we** may not be able to obtain financing with favorable terms for development which may make us unable to proceed with the development; • ~~We~~ **we** may be unable to obtain, or face delays in obtaining, necessary zoning, building and other governmental permits and authorizations, which could result in increased costs and delays, and even require us to abandon development of the property entirely if we are unable to obtain such permits or authorizations; • ~~We~~ **we** may abandon development opportunities that we have already begun to explore and as a result we may not recover expenses already incurred in connection with exploring such development opportunities; • ~~We~~ **we** may be unable to complete construction and lease- up of a property on schedule resulting in increased debt service expense and construction costs; • ~~We~~ **we** may incur construction and development costs for a property which exceed our original estimates due to increased materials, labor or other costs, which could make completing the development uneconomical and we may not be able to increase rents to compensate for the increase in development costs which may impact our profitability; • ~~We~~ **we** may be unable to secure long- term financing on completion of development resulting in increased debt service and lower profitability; • ~~Occupancy~~ **occupancy** rates and rents at a newly developed property may fluctuate depending on several factors, including market and economic conditions, which may result in the property not being profitable; and • ~~Climate~~ **climate** change may cause new marina developments to be paused or restricted. If any of the above risks occur, our business and results of operations could be adversely affected. Competition affects occupancy levels and rents, which could adversely affect our revenues. The MH, RV and marina industries are highly- fragmented. There ~~is~~ **are many international, national and regional** ~~competition~~ - **competitors** ~~within~~ **in** the MH, RV and marina markets we currently serve and in new markets that we may enter ~~. We have international, national and regional competitors in the MH, RV and marina markets~~ . Our properties are located in developed areas that include other MH and RV communities, and marinas. The number of competitive MH and RV communities and marinas in a particular area could have a material adverse effect on our ability to lease sites and increase rents charged at our properties or at any newly acquired properties. We may be competing with others with greater resources. In addition, other forms of multi ~~-~~ **-** family residential properties, such as private and federally funded or assisted multi- family housing projects and single ~~-~~ **-** family housing, provide housing alternatives to potential tenants of MH and RV communities. The cyclical and seasonal nature of the RV and marina industries may lead to fluctuations in our operating results. The RV and marina industries can experience cycles of growth and downturn due to seasonality patterns. Results of operations in any one period may not be indicative of results in future periods. In the RV ~~market~~ **business** , certain properties maintain higher occupancy during the summer months, while other properties maintain higher occupancy during the winter months. The RV ~~market~~ **business** typically shows a decline in demand over the winter months, yet usually produces higher growth in the spring and summer months due to higher use by vacationers. In the marina ~~market~~ **business** , demand for wet slip storage increases during the summer months as customers contract for the summer boating season, which also drives non- storage revenue streams such as service, fuel and on- premise restaurants or convenience storage. Demand for dry storage increases during the winter season as seasonal weather patterns require boat owners to store their vessels on dry docks ~~and~~ **or** within covered racks. Our results on a quarterly basis can fluctuate due to this cyclicality and seasonality. We may not be able to integrate or finance our acquisitions and our acquisitions may not perform as expected. We have acquired and intend to continue to selectively acquire MH, RV and marina properties. Our acquisition activities and their success are subject to the following risks: • ~~We~~ **we** may be unable to acquire a desired property because of competition from other well- capitalized real estate investors, including both publicly traded REITs and institutional investment funds; • ~~Even~~ **even** if we enter into an acquisition agreement for a property, it is usually subject to customary conditions to closing, including completion of due diligence investigations to our satisfaction, which may not be satisfied; • ~~Even~~ **even** if we are able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price; • ~~We~~ **we** may be unable to finance acquisitions on favorable terms; • ~~Acquired~~ **acquired** properties may fail to perform as expected; • ~~Acquired~~ **acquired** properties may be located in new markets where we face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships in the area, and unfamiliarity with local governmental and permitting procedures; and • ~~We~~ **we** may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations. In addition, we may acquire properties subject to liabilities and we may be left with no, or limited, recourse, with respect to unknown liabilities. As a result, we may have to pay substantial sums to settle any liabilities asserted against us based upon ownership of newly acquired properties, which could adversely affect our cash ~~flow~~ **flows** . Investments through joint ventures involve risks not present for properties in which we are the sole owner. We have invested and may continue to invest as a joint venture partner in joint ventures. These investments involve risks, including, but not limited to, the possibility the other joint venture partner may have business goals which are inconsistent with ours, possess the ability to take or force action or withhold consent contrary to our requests, fail to provide capital or fulfill its obligations, or become insolvent and require us to assume and fulfill the joint venture' s financial obligations. Conflicts arising between us and our joint venture partners may be difficult to manage or resolve and it could be difficult to manage or otherwise monitor the existing business arrangements. We and our joint venture partners may each have the right to initiate a buy- sell arrangement, which could cause us to sell our interest, or acquire a joint venture partner' s interest, at a time when we otherwise would not have entered into such a transaction. Each joint venture agreement is individually negotiated, and our ability to operate, finance or dispose of a property in our sole discretion may be limited to varying degrees depending on the terms of the applicable joint venture agreement. Many of our properties are located in areas that experience extreme weather conditions and natural disasters and climate change may adversely affect our business. Extreme weather or weather- related conditions and other natural disasters, including hurricanes, flash floods, sea- level rise **, droughts** , tornadoes, wildfires or earthquakes, may interrupt our operations, damage our properties and reduce the number of customers who utilize our properties in the affected areas. Many of our properties are on coastlines that are subject to hurricane seasons, flash flooding and sea level rise; in areas adversely affected by wildfires, such as the western U. S.; and in earthquake- prone areas, such as the West Coast. If there are prolonged disruptions at our properties due to extreme weather or natural disasters, our results of operations and financial condition could be materially adversely affected. While we maintain insurance coverage that may cover certain of the costs and loss of revenue associated with the effect of extreme weather and natural disasters at our properties, our coverage is subject to deductibles and limits on maximum benefits. We cannot assure you that we will be able to fully collect, if at all, on any claims resulting from extreme weather or natural disasters. If any of our properties are damaged or if their operations are disrupted as a result of extreme weather or natural disasters, or if extreme weather or natural disasters adversely impact general economic or other conditions in the areas in which our properties are located or from which they draw their tenants and customers, our business, financial condition and results of operations could be materially adversely affected. Significant changes in the climate could exacerbate extreme weather conditions or natural disasters that may occur in areas where our properties are located, all of which may result in additional physical damage to, or a decrease in demand for, properties located in these areas or affected by these conditions. If the impact of climate change is material in nature, including significant property damage to or destruction of our properties, or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected. While they are unpredictable, the impacts of climate change may change residential migration and vacation trends, which could reduce demand for our properties. If the areas in which our properties are located become less desirable places to live or vacation, the value of our properties and their ability to generate revenue may be materially adversely affected. In addition, changes in federal, state, local and foreign legislation and regulation based on concerns about climate change, as well as voluntary measures we take to combat climate change, could result in increased capital expenditures at our properties. For example, these could include expenditures to improve energy efficiency, improve resistance to inclement weather and for infrastructure improvement to support existing and emerging low- carbon technologies. These expenditures may not result in a corresponding increase in revenue, resulting in material adverse impacts to our financial results. Marinas may not be readily adaptable to other uses. Marinas are specific- use properties and may contain features or assets that have limited alternative uses. These properties may also have distinct operational functions that involve specific procedures and training. If the operations of any of our marinas become unprofitable due to industry competition, operational execution or otherwise, then it may not be feasible to operate the property for another use, and the value of certain features or assets used at the property, or the property itself, may be impaired. Should any of these events occur, our financial condition, results of operations and cash flows could be adversely impacted. We may be unable to obtain, renew or maintain permits, licenses and approvals necessary for the operation of our marinas. The U. S. Army Corps of Engineers, the Coast Guard and other governmental bodies control much of the land located beneath and surrounding many of our marinas and lease such land to Safe Harbor under leases that typically range from five to 50 years. As a result, it is unlikely that we can obtain fee- simple title to the land on or near these marinas. If these governmental authorities terminate, fail to renew, or interpret in ways that are materially less favorable any of the permits, licenses and approvals necessary for operation of these properties, then our financial condition, results of operations and cash flows could be adversely impacted. Some marinas must be dredged from time to time to remove silt and mud that collect in harbor- areas in order to assure that boat traffic can safely enter the harbor. Dredging and disposing of the dredged material can be very costly and require permits from various governmental authorities. If the permits necessary to dredge marinas or dispose of the dredged material cannot be timely obtained after the acquisition of a marina, or if dredging is not practical or is exceedingly expensive, the operations of such property would be materially and adversely affected. We may incur liability under environmental laws arising from conditions at properties we acquire or operations at the properties we own and operate. Under various federal, state, local and foreign laws, ordinances and regulations, an owner or operator of real estate is liable for the costs of removal or remediation of certain hazardous substances at, on, under, or in such property. Such hazardous substances may be used at or located on our properties, especially our marinas. Such laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous substances. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner' s ability to sell or rent the property, to borrow using the property as collateral or to develop the property. Persons who arrange for the disposal or treatment of hazardous substances also may be liable for the costs of removal or remediation of such substances at a disposal or treatment facility owned or operated by another person. In addition, certain environmental laws impose liability for the management and disposal of asbestos- containing materials and for the release of such materials into the air. These laws may result in fines or penalties and may permit third parties to seek recovery from owners or operators of real properties for personal injury associated with asbestos- containing materials. As the purchaser of properties we acquire or in connection with the operation of properties we own or manage, we may be liable for removal or remediation costs, governmental fines and injuries to persons and property. When we arrange for the treatment or disposal of hazardous substances at landfills or other facilities owned by other persons, we may be liable for the removal or remediation costs at such facilities. ~~We~~ **As part of our standard acquisition due diligence, we** subject our properties to a Phase I or similar environmental assessment as well as limited compliance evaluations (which involve general inspections without soil sampling or ground water analysis) completed by independent environmental and engineering consultants. In some cases, where these evaluations have recommended further, invasive investigations, those have also been conducted. **While** ~~These~~ **these** environmental evaluations have not revealed any significant environmental liability that would have a material adverse effect on our business **, they** ~~. These audits~~ cannot reflect conditions arising after the studies were completed **. No** ~~, and no~~ assurances can be given that existing environmental studies reveal all environmental liabilities, that any prior owner or operator of a property or neighboring owner or operator did not create any material environmental condition not known to us, or that a material environmental condition does not otherwise exist as to any one or more properties. Moreover, we cannot be sure that ~~: (a)~~ future laws, ordinances or regulations will not impose any material environmental liability ~~;~~ **,** or ~~(b)~~ the current environmental condition of our properties will not be affected by tenants and occupants of the properties, by the condition of land or operations in the vicinity of our properties (such as the presence of underground storage tanks), or by unrelated third parties. Environmental liabilities that we may incur could have an adverse effect on our financial condition, results of operations and cash flows. We are subject to additional risks from our international investments. Park Holidays represents our first major investment in the UK. We may also pursue other significant acquisition opportunities outside the U. S. Our ownership of Park Holidays and any other international investments subjects us to additional risks, including: • ~~The~~ **the** laws, rules and regulations applicable in such jurisdictions outside of the U. S., including those related to property ownership by foreign entities, consumer and data protection, privacy, network security, encryption, payments and restricting us from removing profits earned from activities within the country to the U. S. (i. e., nationalization of assets located within a country); • ~~Complying~~ **complying** with a wide variety of foreign laws; • ~~Fluctuations~~ **fluctuations** in exchange rates between foreign currencies and the U. S. dollar, and exchange controls; • ~~Limited~~ **limited** experience with local business and cultural factors that differ from our usual standards and practices; • ~~Changes~~ **changes** in the availability, cost and terms of mortgage funds and other borrowings resulting from varying national economic policies or changes in interest rates; • ~~Reliance~~ **reliance** on local management; • ~~Challenges~~ **challenges** in establishing effective controls and procedures to regulate operations in different regions and to monitor and ensure compliance with applicable regulations, such as applicable laws related to corrupt practices, employment, licensing, construction, climate change or environmental compliance; • ~~Unexpected~~ **unexpected** changes in regulatory requirements, tax, tariffs, trade barriers and other laws within jurisdictions outside the U. S. or between the U. S. and such jurisdictions; • ~~Potentially~~ **potentially** adverse tax consequences with respect to our properties; • ~~The~~ **the** impact of regional or country- specific business cycles and economic instability, including deterioration in political relations with the U. S., instability in, or further withdrawals from, the European Union or other international trade alliances or agreements; • ~~The~~ **the** impact of disruptions in global, regional or local supply chains, including disruptions occurring **as a result of outbreaks of disease** ~~during and after the COVID- 19 pandemic~~ ; and • ~~Political~~ **political** instability, uncertainty over property rights, civil unrest, drug trafficking, political activism or the continuation or escalation of terrorist activities. If we are unable to adequately address these risks, they could have a significant adverse effect on our operations. We depend on Safe Harbor' s management to operate our marina business. Safe Harbor' s operations are separate from our other operations. The successful operation of our marinas depends on our ability to retain key employees with experience in the marina business, including Baxter R. Underwood, who is the Chief Executive Officer of Safe Harbor. The loss of services of Mr. Underwood or other key employees could have a material adverse effect on our ability to operate Safe Harbor. Although Mr. Underwood has entered into an employment and non- competition agreement, upon certain events he will have the option to eliminate the non- competition covenant by foregoing certain compensation and other benefits. We do not currently maintain or contemplate obtaining any" key- man" life insurance on any of the key employees of Safe Harbor. Public health crises, such as **outbreaks of disease, could materially and adversely affect our financial condition, operating results and cash flows. A public health crisis, such as** the COVID- 19 pandemic, could ~~materially and adversely affect our financial condition, operating results and cash flows. A public health crisis, such as the one experienced during the COVID- 19 pandemic, could~~ have material and adverse effects on our ability to successfully operate our business and on our financial condition. The government and societal responses to public health crises ~~, including the COVID- 19 pandemic,~~ are highly uncertain and we cannot predict with confidence the impact a public health crisis would have on our operations and financial condition. Rent control legislation may harm our ability to increase rents. National, state and local rent control laws in certain jurisdictions may limit our ability to increase rents at our MH properties to recover increases in operating expenses and the costs of capital improvements. Enactment of such laws has been considered from time to time in other jurisdictions. Certain properties are located, and we may purchase additional properties, in markets that are either subject to rent control or in which rent- limiting legislation exists or may be enacted. RISKS RELATED TO OUR DEBT FINANCINGS Our significant amount of debt could limit our operational flexibility or otherwise adversely affect our financial condition, and we may incur more debt in the future. We have a significant amount of debt. As of December 31, ~~2022~~ **2023** , we had approximately $ 7. ~~2~~ **8** billion of total debt outstanding, consisting of approximately $ 3. ~~2~~ **5** billion in **collateralized term loans and** debt that is secured by mortgage liens on ~~154~~ **156** of our properties, $ ~~1~~ **2** . ~~8~~ **2** billion of senior unsecured notes ~~,~~ **and** $ 2. 1 billion on our line of credit and other debt ~~, $ 35. 2 million of mandatorily redeemable preferred equity and $ 34. 0 million of mandatorily redeemable preferred OP units~~ . Including the impact of hedge activity, as of December 31, ~~2022~~ **2023** , approximately ~~77~~ **84** % of our total debt was fixed rate financing and approximately ~~23~~ **16** % of our total debt was floating rate financing. If we fail to meet our obligations under our secured debt, the lenders would be entitled to foreclose on all or some of the collateral securing such debt which could have a material adverse effect on us and our ability to make expected distributions, and could threaten our continued viability. We are subject to the risks normally associated with debt financing, including the following risks: • ~~Our~~ **our** cash ~~flow~~ **flows** may be insufficient to meet required debt payments, or we may need to dedicate a substantial portion of our cash ~~flow~~ **flows** to pay our debt rather than to other areas of our business; • ~~Our~~ **our** existing ~~indebtedness~~ **debt** may limit our operating flexibility due to financial and other restrictive covenants, including restrictions on incurring additional debt; • ~~It~~ **it** may be more difficult for us to obtain additional financing for our operations, working capital requirements, capital expenditures, debt service or other general requirements; • ~~Increases~~ **increases** in interest rates will increase the costs of our floating rate debt and make obtaining new debt more expensive; • ~~We~~ **we** may be more vulnerable in the event of adverse economic and industry conditions or a downturn in our business; • ~~We~~ **we** may be placed at a competitive disadvantage compared to our competitors that have less debt; and • ~~We~~ **we** may not be able to refinance at all or on favorable terms, as our debt matures. If any of the above risks occurred, our financial condition and results of operations could be materially adversely affected. Despite our current ~~indebtedness~~ **debt** levels, we may incur substantially more debt in the future. If new debt is added to our current debt levels, an even greater portion of our cash ~~flow~~ **flows** will be needed to satisfy our debt service obligations. As a result, the related risks that we now face could intensify and increase the risk of a default on our ~~indebtedness~~ **debt** . Covenants in our credit agreements and senior unsecured note indentures could limit our flexibility and adversely affect our financial condition. The terms of our financing agreements and other ~~indebtedness~~ **debt** require us to comply with a number of customary financial and other covenants. These covenants may limit our flexibility in our operations, and breaches of these covenants could result in defaults under the instruments governing the applicable ~~indebtedness~~ **debt** even if we have satisfied our payment obligations. Our financing agreements contain certain cross- default provisions that could be triggered in the event that we default on our other ~~indebtedness~~ **debt** . These cross- default provisions may require us to repay or restructure our senior credit facility in addition to any mortgage or other debt that is in default. If our properties were foreclosed upon, or if we are unable to refinance our ~~indebtedness~~ **debt** at maturity or meet our payment obligations, the amount of our distributable cash flows and our financial condition would be adversely affected. Our senior credit facility contains various financial covenants including, but not limited to a maximum leverage ratio, a minimum fixed charge coverage ratio and a maximum secured leverage ratio. In addition to our senior credit facility, our senior unsecured notes also contain various covenants including an aggregate debt test, a secured debt test, a debt service test, and a maintenance of total unencumbered assets test. These covenants may restrict our ability to pursue certain business initiatives or certain transactions that might otherwise be advantageous. Furthermore, failure to meet certain of these financial covenants could cause an event of default under and / or accelerate some or all of such ~~indebtedness~~ **debt** which could have a material adverse effect on us. An increase in market interest rates could raise our interest costs on existing and future debt or adversely affect our stock price, and a decrease in interest rates may lead to additional competition for the acquisition of real estate or adversely affect our results of operations. Our interest costs for any new debt and our current debt obligations may rise if interest rates increase. This increased cost could make the financing of any new acquisition more expensive as well as lower our current period earnings. Rising interest rates could limit our ability to refinance existing debt when it matures or cause us to pay higher interest rates upon refinancing. In addition, an increase in interest rates could decrease the access our customers have to credit, thereby decreasing the demand for manufactured homes and recreational vehicles. An increase in market interest rates may lead prospective purchasers of our common stock to expect a higher dividend yield, which could adversely affect the market price of our common stock. Decreases in interest rates may lead to additional competition for the acquisition of real estate due to a reduction in desirable alternative income- producing investments. Increased competition for the acquisition of real estate may lead to a decrease in the yields on real estate targeted for acquisition. In such circumstances, if we are not able to offset the decrease in yields by obtaining lower interest costs on our borrowings, our results of operations may be adversely affected. Our hedging strategies may not be successful in mitigating our risks associated with interest rates and could reduce the overall returns on your investment. We use various derivative financial instruments to provide a level of protection against interest rate risks, but no hedging strategy can protect us completely. These instruments involve risks, such as the risk that the counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes, that a court could rule that such agreements are not legally enforceable and that we may have to post collateral to enter into hedging transactions, which we may lose if we are unable to honor our obligations. These instruments may also generate income that may not be treated as qualifying REIT income for purposes of the REIT income tests. In addition, the nature and timing of hedging transactions may influence the effectiveness of our hedging strategies. Poorly designed strategies or improperly executed transactions could actually increase our risk and losses. Moreover, hedging strategies involve transaction and other costs. We cannot assure you that our hedging strategy and the derivatives that we use will adequately offset the risk of interest rate volatility or that our hedging transactions will not result in losses that may reduce the overall return on your investment. A downgrade in our credit ratings could have material adverse effects on our business and financial condition. We intend to manage our operations to maintain our investment grade credit ratings from S & P Global and Moody' s. These ratings are based on a number of factors, which include assessments of our financial strength, liquidity, capital structure, asset quality, and sustainability of cash ~~flow~~ **flows** and earnings. Changes in these factors could lead to a downgrade of our ratings, leading to an adverse impact on our cost and availability of capital, which could in turn have a material adverse impact on our financial condition, results of operations and liquidity. TAX RISKS RELATED TO OUR STATUS AS A REIT We may suffer adverse tax consequences and be unable to attract capital if we fail to qualify as a REIT. We believe that since our taxable year ended December 31, 1994, we have been organized and operated, and intend to continue to operate, so as to qualify for taxation as a REIT under the Code. Although we believe that we have been and will continue to be organized and have operated and will continue to operate so as to qualify for taxation as a REIT, we cannot be assured that we have been or will continue to qualify as a REIT. Qualification as a REIT involves the satisfaction of numerous requirements ~~(some~~ on an annual and quarterly basis ~~)~~ established under highly technical and complex Code provisions for which there are ~~only~~ limited judicial or administrative interpretations and involves the determination of various factual matters and circumstances not entirely within our control. In addition, frequent changes occur in the area of REIT taxation, which ~~require~~ **requires** us to **continually** monitor our tax status ~~continually~~ . If we fail to qualify as a REIT in any taxable year, our taxable income could be subject to U. S. federal income tax at regular corporate rates. Moreover, unless entitled to relief under certain statutory provisions, we also would be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost. This treatment would reduce our net earnings available for investment or distribution to shareholders because of the additional tax liability to us for the years involved. In addition, distributions to shareholders would no longer be required to be made. Federal, state and foreign income tax laws governing REITs and related interpretations may change at any time, and any such legislative or other actions affecting REITs could have a negative effect on us. Federal, state and foreign income tax laws governing REITs, or the administrative interpretations of those laws may be amended at any time. ~~Federal, state and foreign tax laws are under constant review by persons involved in the legislative process, at the Internal Revenue Service and the U. S. Department of the Treasury, and at various state and foreign tax authorities.~~ Changes to tax laws, regulations or administrative interpretations, which may be applied retroactively, could adversely affect us. We cannot predict whether, when, in what forms, or with what effective dates, the tax laws, regulations and administrative interpretations applicable to us may be changed. ~~Accordingly, we cannot assert that any such~~ **Such** ~~change~~ **changes could** ~~will not~~ significantly affect either our ability to qualify for taxation as a REIT or the income tax consequences to us. We intend for the Operating Partnership to be taxed as a partnership, but we cannot guarantee that it will qualify. We believe that the Operating Partnership has been organized as a partnership and will qualify for treatment as such under the Code. However, if the Operating Partnership is deemed to be a" publicly traded partnership," it will be treated as a corporation instead of a partnership for federal income tax purposes unless at least 90 % of its income is qualifying income as defined in the Code. The income requirements applicable to REITs and the definition of" qualifying income" for purposes of this 90 % test are similar in most respects. Qualifying income for the 90 % test generally includes passive income, such as specified types of real property rents, ~~distributions~~ **dividends** and interest. We believe that the Operating Partnership has and will continue to meet this 90 % test, but we cannot guarantee that it has or will. If the Operating Partnership were to be taxed as a regular corporation, it would incur substantial tax liabilities, we would fail to qualify as a REIT for federal income tax purposes and our ability to raise additional capital could be significantly impaired. Partnership tax audit rules could have a material adverse effect on us. **Under** ~~The Bipartisan Budget Act of 2015 changed~~ the rules applicable to U. S. federal income tax audits of partnerships ~~. Under the rules~~ , ~~among other changes and~~ subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction or credit of a partnership (and a partner' s allocable share thereof) is determined, and taxes, interest, and penalties attributable thereto are assessed and collected, at the partnership level. Unless the partnership makes an election or takes certain steps to require the partners to pay their tax on their allocable shares of the adjustment, it is possible that partnerships in which we directly or indirectly invest, including the Operating Partnership, would be required to pay additional taxes, interest and penalties as a result of an audit adjustment. We, as a direct or indirect partner of the Operating Partnership and other partnerships, could be required to bear the economic burden of those taxes, interest and penalties even though the Company, as a REIT, may not otherwise have been required to pay additional corporate- level tax. ~~The changes created by these~~ **These** rules are significant for collecting tax in partnership audits and ~~, accordingly,~~ there can be no assurance that these rules will not have a material adverse effect on us. Our ability to accumulate cash may be restricted due to certain REIT distribution requirements. In order to qualify as a REIT, we must distribute to our shareholders at least 90 % of our REIT taxable income (calculated without any deduction for dividends paid and excluding net capital gain) and to avoid federal income taxation, our distributions must not be less than 100 % of our REIT taxable income, including capital gains. As a result of the distribution requirements, we do not expect to accumulate significant amounts of cash. Accordingly, these distributions could significantly reduce the cash available to us in subsequent periods to fund our operations and future growth. Our taxable REIT subsidiaries, or TRSs, are subject to special rules that may result in increased taxes. As a REIT, we must pay a 100 % penalty tax on certain payments that we receive if the economic arrangements between us and any of our TRSs are not comparable to similar arrangements between unrelated parties. The Internal Revenue Service may successfully assert that the economic arrangements of any of our inter- company transactions are not comparable to similar arrangements between unrelated parties. This would result in unexpected tax liability which would adversely affect our cash flows. Dividends payable by REITs do not qualify for the reduced tax rates applicable to certain dividends. The maximum federal tax rate for certain qualified dividends payable to domestic shareholders that are individuals, trusts and estates is 20 %. Dividends payable by REITs, however, are generally not eligible for this reduced rate, although the Tax Cut and Jobs Act permits a 20 % deduction equal to the amount of qualifying REIT dividends received, thus bringing the maximum federal tax rate on qualifying REIT dividends to 29. 6 %. While this rule does not adversely affect the taxation of REITs or dividends paid by REITs, the more favorable rates applicable to regular qualified corporate dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less competitive than investments in stock of non- REIT corporations that pay dividends, which could adversely affect the comparative value of the stock of REITs, including our common stock and preferred stock. Prospective investors should consult their own tax advisors regarding the effect of this change on their effective tax rate with respect to REIT dividends. Complying with REIT requirements may cause us to forego otherwise attractive opportunities. To remain qualified as a REIT for federal income tax purposes, we must continually satisfy requirements and tests under the tax law concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our shareholders and the ownership of our stock. In order to meet these tests, we may be required to forego or limit attractive business or investment opportunities and distribute all of our net earnings rather than invest in attractive opportunities or hold larger liquid reserves. Therefore, compliance with the REIT requirements may hinder our ability to operate solely to maximize profits. RISKS RELATED TO ~~RELATED PARTY TRANSACTIONS AND~~ OUR STRUCTURE ~~Some of our directors and officers may have conflicts of interest with respect to certain related party transactions and other business interests.~~

~~Lease of Executive Offices- Gary A. Shiffman, together with certain of his family members, indirectly owns an equity interest of approximately 28. 1 % in American Center LLC, the entity from which we lease office space for our principal executive offices. Each of Brian M. Hermelin, Ronald A. Klein and Arthur A. Weiss indirectly owns less than one percent interest in American Center LLC. Mr. Shiffman is our Chief Executive Officer and Chairman of the Board. Each of Mr. Hermelin, Mr. Klein and Mr. Weiss is a director of the Company. Under this agreement, we lease approximately 60, 261 rentable square feet of permanent space. The lease agreement includes annual graduated rent increases through the initial end date of October 31, 2026. As of December 31, 2022, the average gross base rent was $ 20. 45 per square foot. Each of Mr. Shiffman, Mr. Hermelin, Mr. Klein and Mr. Weiss may have a conflict of interest with respect to his obligations as our officer and / or director and his ownership interest in American Center LLC. Use of Airplane- Gary A. Shiffman is the beneficial owner of an airplane that we use from time to time for business purposes. During the years ended December 31, 2022, 2021 and 2020, we paid $ 0. 7 million, $ 0. 7 million and $ 0. 3 million for the use of the airplane, respectively. Mr. Shiffman may have a conflict of interest with respect to his obligations as our officer and director and his ownership interest in the airplane. Telephone Services- Brian M. Hermelin is a principal and a beneficial owner of an entity that installs and maintains emergency telephone systems at our properties. During the years ended December 31, 2022, 2021 and 2020, we paid $ 0. 2 million for these services, respectively. Mr. Hermelin may have a conflict of interest with respect to his obligations as our director and his position with and ownership interest in the provider of these services. Legal Counsel- Arthur A. Weiss is a partner at Taft Stettinius & Hollister LLP (formerly Jaffe, Raitt, Heuer, & Weiss, Professional Corporation) which acts as our general counsel and represents us in various matters. We incurred legal fees and expenses owed to this law firm of approximately $ 9. 7 million, $ 10. 3 million and $ 13. 3 million in the years ended December 31, 2022, 2021, and 2020, respectively. Tax Consequences Upon Sale of Properties- Gary A. Shiffman holds limited partnership interests in the Operating Partnership which were received in connection with the contribution of properties from partnerships previously affiliated with him. Prior to any redemption of these limited partnership interests for our common stock, Mr. Shiffman will have tax consequences different from those on us and our public shareholders upon the sale of any of these partnerships. Therefore, we and Mr. Shiffman may have different objectives regarding the appropriate pricing and timing of any sale of those properties. Transactions with Immediate Family Members- Adam Shiffman, the son of Gary A. Shiffman, the Company' s Chairman, President and Chief Executive Officer, was appointed as the Company' s Regional Vice President of Operations and Sales in September 2021. Adam Shiffman' s aggregate annual compensation was approximately $ 135, 000 for the fiscal year ended December 31, 2022.~~ Certain provisions in our governing documents may make it difficult for a third- party to acquire us. 9. 8 % Ownership Limit. In order to qualify and maintain our qualification as a REIT, not more than 50 % of the outstanding shares of our capital stock may be owned, directly or indirectly, by five or fewer individuals. Thus, ownership of more than 9. 8 %, in number of shares or value, of the issued and outstanding shares of our capital stock by any single ~~stockholder~~ **shareholder** has been restricted, with certain exceptions, for the purpose of maintaining our qualification as a REIT under the Code. Such restrictions in our charter do not apply to Milton M. Shiffman, Gary A. Shiffman and Robert B. Bayer; trustees, personal representatives and agents to the extent acting for them or their respective estates; or certain of their respective relatives. The 9. 8 % ownership limit, as well as our ability to issue additional shares of common stock or shares of other stock (which may have rights and preferences over the common stock), may discourage a change of control of the Company and may also: (a) deter tender offers for the common stock, which offers may be advantageous to ~~stockholders~~ **shareholders** ; and (b) limit the opportunity for ~~stockholders~~ **shareholders** to receive a premium for their common stock that might otherwise exist if an investor were attempting to assemble a block of common stock in excess of 9. 8 % of our outstanding shares or otherwise effect a change of control of the Company. Preferred Stock. Our charter authorizes the Board of Directors to issue up to 20, 000, 000 shares of preferred stock, none of which is currently outstanding, and to establish the preferences and rights (including the right to vote and the right to convert into shares of common stock) of any shares issued. The power to issue preferred stock could have the effect of delaying or preventing a change in control of the Company even if a change in control were in the ~~stockholders~~ **shareholders** ' interest. Certain provisions of Maryland law could inhibit changes in control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our common stock or that our ~~stockholders~~ **shareholders** otherwise believe to be in their best interest. Certain provisions of the Maryland General Corporation Law (" MGCL") may have the effect of inhibiting a third- party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of shares of our capital stock with the opportunity to realize a premium over the then- prevailing market price of such shares, including: •" Business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an" interested ~~stockholder~~ **shareholder** " (defined generally as any person who beneficially owns 10 % or more of the voting power of our shares or an affiliate thereof or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10 % or more of the voting power of our then outstanding voting stock at any time within the two- year period immediately prior to the date in question) for five years after the most recent date on which the ~~stockholder~~ **shareholder** becomes an interested ~~stockholder~~ **shareholder** , and thereafter impose fair price and / or supermajority and ~~stockholder~~ **shareholder** voting requirements on these combinations; and •" Control share" provisions that provide that" control shares" of our company (defined as shares that, when aggregated with other shares controlled by the ~~stockholder~~ **shareholder** , entitle the ~~stockholder~~ **shareholder** to exercise one of three increasing ranges of voting power in electing directors) acquired in a" control share acquisition" (defined as the direct or indirect acquisition of ownership or control of issued and outstanding" control shares") have no voting rights except to the extent approved by our ~~stockholder~~ **shareholder** by the affirmative vote of at least two- thirds of all the votes entitled to be cast on the matter, excluding all interested shares. The provisions of the MGCL relating to business combinations do not apply, however, to business combinations that are approved or exempted by our Board of Directors prior to the time that the interested ~~stockholder~~ **shareholder** becomes an interested ~~stockholder~~ **shareholder** . As permitted by the statute, our Board of Directors has by resolution exempted Milton M. Shiffman, Robert B. Bayer and Gary A. Shiffman, their affiliates and all persons acting in concert or as a group with the foregoing, from the business combination provisions of the MGCL and, consequently, the five- year prohibition and the supermajority vote requirements will not apply to business combinations between us and these persons. As a result, these persons may be able to enter into business combinations with us that may not be in the best interests of our ~~stockholder~~ **shareholder** without compliance by our company with the supermajority vote requirements and the other provisions of the statute. Also, pursuant to a provision in our bylaws, we have exempted any acquisition of our stock from the control share provisions of the MGCL. However, our Board of Directors may by amendment to our bylaws opt into the control share provisions of the MGCL at any time in the future. Additionally, Subtitle 8 of Title 3 of the MGCL permits our Board of Directors, without ~~stockholder~~ **shareholder** approval and regardless of what is currently provided in our charter or bylaws, to elect to be subject to certain provisions relating to corporate governance that may have the effect of delaying, deferring or preventing a transaction or a change of control of our company that might involve a premium to the market price of our common stock or otherwise be in our ~~stockholders~~ **shareholders** ' best interests. These provisions include a classified board; two- thirds vote to remove a director; that the number of directors may only be fixed by the Board of Directors; that vacancies on the board as a result of an increase in the size of the board or due to death, resignation or removal can only be filled by the board, and the director appointed to fill the vacancy serves for the remainder of the full term of the class of director in which the vacancy occurred; and a majority requirement for the calling by ~~stockholders~~ **shareholders** of special meetings. Other than a classified board, the filling of vacancies as a result of the removal of a director and a majority requirement for the calling by ~~stockholders~~ **shareholders** of special meetings, we are already subject to these provisions, either by provisions of our charter and bylaws unrelated to Subtitle 8 or by reason of an election to be subject to certain provisions of Subtitle 8. In the future, our Board of Directors may elect, without ~~stockholder~~ **shareholder** approval, to make us subject to the provisions of Subtitle 8 **,** to which we are not currently subject. Our Board of Directors has power to adopt, alter or repeal any provision of our bylaws or make new bylaws, provided, however, that our ~~stockholders~~ **shareholders** may alter or repeal any provision of our bylaws and adopt new bylaws if any such alteration, repeal or adoption is approved by the affirmative vote of a majority of all votes entitled to be cast on the matter. GENERAL RISK FACTORS Our share price could be volatile and could decline, resulting in a substantial or complete loss on our shareholders' investment. **Our** ~~The stock markets, including the New York Stock Exchange (" NYSE"), on which we list our~~ common stock **has** ~~, have~~ experienced significant price and volume fluctuations. ~~As a result~~ **In the future** , the market price of our common stock and preferred stock could be similarly volatile, and investors in our common stock and preferred stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The price of our common stock and preferred stock could be subject to wide fluctuations in response to a number of factors, including: • ~~Outbreaks of disease, including the COVID- 19 pandemic, and related stay- at- home orders, quarantine policies and restrictions on travel, trade and business operations; • Issuances~~ **issuances** of other equity securities in the future, including new series or classes of preferred stock; • ~~Our~~ **our** operating performance and the performance of other similar companies; • ~~Our~~ **our** ability to maintain compliance with covenants contained in our debt facilities and our ~~senior~~ unsecured notes; • ~~Actual~~ **actual** or anticipated variations in our operating results, funds from operations, cash flows or liquidity; • ~~Changes~~ **changes** in expectations of future financial performance or changes in our earnings estimates or those of analysts; • ~~Changes~~ **changes** in our distribution policy; • ~~Publication~~ **publication** of research reports about us or the real estate industry generally; • ~~Increases~~ **increases** in market interest rates that lead purchasers of our common stock and preferred stock to demand a higher dividend yield; • ~~Changes~~ **changes** in market valuations of similar companies; • **outbreaks of disease, and related restrictions on business operations; •** ~~Adverse~~ **adverse** market reaction to the amount of our debt outstanding at any time, the amount of our debt maturing in the near- term and medium- term and our ability to refinance our debt, or our plans to incur additional debt in the future; • ~~Additions~~ **additions** or departures of key management personnel; • ~~Speculation~~ **speculation** in the press or investment community; • ~~Equity~~ **equity** issuances by us, or share resales by our shareholders or the perception that such issuances or resales may occur; • ~~Actions~~ **actions** by institutional shareholders; ~~and~~ • **litigation or threatened litigation, which may divert our management' s time and attention, require us to pay damages and expenses or restrict the operation of our business; • failure to qualify and maintain our qualification as a REIT; and •** ~~General~~ **general** market and economic conditions. Many of the factors listed above are beyond our control. Those factors may cause the market price of our common stock or preferred stock to decline significantly, regardless of our financial condition, results of operations and prospects. It is impossible to provide any assurance that the market price of our common stock or preferred stock will not fall in the future, and it may be difficult for holders to resell shares of our common stock or preferred stock at prices they find attractive, or at all. In the past, securities class action litigation has often been instituted against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management' s attention and resources. Substantial sales or issuances of our common or preferred stock could cause our stock price to fall. The sale or issuance of substantial amounts of our common stock or preferred stock, whether directly by us or in the secondary market, the perception that such sales could occur or the availability of future issuances of shares of our common stock, preferred stock, OP units or other securities convertible into or exchangeable or exercisable for our common stock or preferred stock, could materially and adversely affect the market price of our common stock or preferred stock and our ability to raise capital through future offerings of equity or equity- related securities. In addition, we may issue capital stock that is senior to our common stock in the future for a number of reasons, including to finance our operations and business strategy, to adjust our ratio of debt to equity or for other reasons. Based on the applicable conversion ratios then in effect, as of February ~~16~~ **20** , ~~2023~~ **2024** , in the future we may issue to the limited partners of the Operating Partnership, up to approximately ~~4~~ **5** . ~~8~~ **3** million shares of our common stock in exchange for their OP units. The limited partners may sell such shares pursuant to registration rights, if available, or an available exemption from registration. As of February ~~16~~ **20** , ~~2023~~ **2024** , there were no outstanding options to purchase shares of our common stock under our equity incentive plans, and we **had** ~~currently have~~ the authority to issue restricted stock awards or options to purchase up to an additional 3 **. 0 million** ~~, 284, 191~~ shares of our common stock pursuant to our equity incentive plans. In addition, we have entered into an At ~~-~~the ~~-~~Market Offering Sales Agreement to sell shares of common stock. As of December 31, ~~2022~~ **2023** , we have remaining capacity to sell up to an additional $ 1. 1 billion of common stock under this agreement. No prediction can be made regarding the effect that future sales of shares of our common stock or our other securities will have on the market price of shares. Our business operations may not generate the cash needed to make distributions on our capital stock or to service our ~~indebtedness~~ **debt** , and we may adjust our common stock distribution policy. Our ability to make distributions on our common stock and preferred stock, and payments on our ~~indebtedness~~ **debt** and to fund planned capital expenditures will depend on our ability to generate cash in the future. We cannot assure you that our business will generate sufficient cash ~~flow~~ **flows** from operations or that future borrowings will be available to us in an amount sufficient to enable us to make distributions on our common stock or preferred stock, to pay our ~~indebtedness~~ **debt** or to fund our other liquidity needs. The decision to declare and pay distributions on shares of our common stock in the future, as well as the timing, amount and composition of any such future distributions, will be at the sole discretion of our Board of Directors in light of conditions then existing, including our earnings, financial condition, capital requirements, debt maturities, the availability of debt and equity capital, applicable REIT and legal restrictions, general overall economic conditions and other factors. Any change in our distribution policy could have a material adverse effect on the market price of our common stock. We rely on key management. We depend on the efforts of our executive officers, including Gary A. Shiffman, Bruce **D.** Thelen, Fernando Castro- Caratini, **Marc Farrugia,** Aaron Weiss ~~,~~ ~~Marc Farrugia~~ and Baxter R. Underwood. The loss of services of one or more of these executive officers could have a temporary adverse effect on our operations. We do not currently maintain or contemplate obtaining any" key- man" life insurance on our executive officers. If we fail to maintain an effective...... trading price of our common stock. Cybersecurity breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer. We rely intensively on information technology to account for tenant transactions, manage the privacy of tenant data, communicate internally and externally, and analyze our financial and operating results. In the ordinary course of our business, we collect and store sensitive data, including our proprietary business information and that of our tenants, clients, vendors and employees in our facilities and on our network. In addition, we engage third party service providers that may have access to such information in connection with providing necessary information technology and security and other business services to us. This information may include personally identifiable information such as social security numbers, banking information and credit card information. We address potential breaches or disclosure of this confidential information by implementing a variety of security measures intended to protect the confidentiality and security of this information **,** including (among others) engaging reputable, recognized firms to help us design and maintain our information technology and data security systems, including testing and verification of their proper and secure operations on a periodic basis. We also maintain cyber risk insurance to provide some coverage for certain risks arising out of data and network breaches. Our senior leadership regularly updates the Board of Directors on security matters and meets at least annually to review program progress and plans, incidents if any, and emerging risks. Despite our security measures, our information technology and infrastructure, as well as that of our third- party vendors, may be vulnerable to attacks by hackers (including through malware, ransomware, computer viruses and email phishing schemes) or breached due to employee error, malfeasance, fire, flood or other physical event, or other disruptions. Any such breach or disruption could compromise our or a third- party vendor' s network and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could: • ~~Result~~ **result** in legal claims or proceedings, • ~~Disrupt~~ **disrupt** our operations, including our ability to service our tenants and our ability to analyze and report our financial and operating results, • ~~Decrease~~ **decrease** our revenues, • ~~Damage~~ **damage** our reputation, • ~~Cause~~ **cause** a loss of confidence, • ~~Increase~~ **increase** our insurance premiums, or • ~~Have~~ **have** other material adverse effects on our business. We depend on continuous access to the internet to use our cloud- based applications. Damage to, or failure of our information technology systems, including as a result of any of the reasons described above, could adversely affect our results of operations as we may incur significant costs or data loss. We continually assess new and enhanced information technology solutions to manage the risk of system failure or interruption. Losses in excess of our insurance coverage or uninsured losses could adversely affect our operating results and cash ~~flow~~ **flows and upon renewal of our insurance policies, our coverage may change and our costs may increase** . We have a significant concentration of MH and RV properties and marinas on coastlines and in other areas where natural disasters or other catastrophic events such as hurricanes, flash floods, sea- level rise, **droughts,** tornadoes, wildfires ~~and~~ **or** earthquakes could negatively impact our operating results and cash flows. We maintain comprehensive liability, fire, property, business interruption, general liability **,** and (where appropriate) flood and earthquake insurance, and other lines of insurance we have determined to be appropriate for our business ~~,~~ **through a combination of self-insurance partially covering the risk and insurance** provided by reputable companies with commercially reasonable deductibles and limits. We believe the policy specifications and insured limits are appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. However, certain types of losses including, but not limited to, riots or acts of war, may be either uninsurable or not economically insurable. In the event an uninsured loss occurs, we could lose both our investment in and anticipated profits and cash ~~flow~~ **flows** from the affected property. We would also continue to be obligated to repay any mortgage ~~indebtedness~~ **debt** or other obligations related to the community. If an uninsured liability to a third party were to occur, we would incur the cost of defense and settlement with, or court ordered damages to, that third party. A significant uninsured property or liability loss could have a material adverse effect on our business and our financial condition and results of operations **. We renew our insurance policies annually. As a result of increased insurance claims across the industry and other market conditions, it has been more difficult to obtain insurance, but in particular property insurance covering named windstorms, business interruption, flood and earthquake insurance. There are fewer insurers willing to provide policies, and policies increasingly include lower coverage limits, higher deductibles and higher premiums. These conditions may cause us to change the types and amounts of insurance we carry and may provide us**

with reduced coverage and / or higher costs. This may require a change in our insurance purchasing philosophy and strategy which can result in the assumption of greater risks to offset insurance market fluctuations . Expanding social media platforms present new challenges. Social media outlets continue to grow and expand, which presents us with new risks. Adverse content about us and our properties on social media platforms could result in damage to our reputation or brand. Improper posts by employees or others could result in disclosure of confidential or proprietary information regarding our operations. Our operations are subject to regulation under various federal, state, local and foreign laws and regulations that may expose us to significant costs and liabilities. Our properties and the operations at them are subject to regulation under various federal, state, local and foreign laws and regulations. Compliance with laws and regulations that govern our operations may require expenditures and modifications of development plans and operations that could have a detrimental effect on the operations of our properties and our financial condition, results of operations and cash flows. There can be no assurance that the application of laws, regulations or policies, or changes in such laws, regulations and policies, will not occur in a manner that could have a detrimental effect on any property. We may be adversely impacted by fluctuations in foreign currency exchange rates. Our current and future investments in and operations of Canadian, Australian and UK properties are or will be exposed to the effects of changes in the Canadian dollar, Australian dollar and Pound sterling, respectively, against the U. S. dollar. Changes in foreign currency exchange rates cannot always be predicted; as a result, substantial unfavorable changes in exchange rates could have a material adverse effect on our financial condition and results of operations. Deterioration in general economic conditions in the United States, and globally, including the effect of prolonged periods of inflation, could harm our business and results of operations. Our business and results of operations could be adversely affected by changes in national or global economic conditions. These conditions include but are not limited to inflation, **deflation,** rising interest rates, availability of capital markets, energy availability and costs, the negative impacts caused by ~~pandemics~~ **outbreaks of disease** and public health crises, negative impacts resulting from ~~the~~ military ~~conflict~~ **conflicts** ~~between Russia and the Ukraine,~~ and the effects of governmental initiatives to manage economic conditions.