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Exhibit D

Warminster Term Sheet

**Terms for Warminster Campus and Ann's Choice Early Exercise of Option and
Modification of Related Documents**

The terms set forth in this Exhibit __ are intended to outline the early exercise of the purchase option contained in the Amended and Restated Purchase Option Agreement dated December 1, 2005 (the "Purchase Option Agreement") among Erickson Retirement Communities, LLC, Ann's Choice, Inc. ("Ann's Choice") and Warminster Campus, L.P. ("Warminster Campus"). Capitalized terms used and not defined herein have the meaning given such terms in the Trust Indenture dated December 1, 2005 (the "Indenture") between Bucks County Industrial Development Authority and Wells Fargo Bank, National Association, as successor trustee (the "Trustee").

1. Net rent under the Master Lease for 2010 shall be paid from and after the Effective Date at a rate of \$2,068,308 per annum.

2. Ann's Choice will exercise the purchase option with respect to the Facility and Facility Site no later than December 31, 2010.

3. A development agreement will be executed by and between Ann's Choice and Warminster Campus, with the consent of the Trustee, granting to Warminster Campus the right to develop Neighborhood Four for a period of 10 years on terms to be negotiated between Ann's Choice and Warminster Campus, consistent with the terms herein and the Bond Documents; provided that either the Trustee, or Ann's Choice, with the consent of the Trustee, may terminate the development agreement without penalty if (i) construction on Neighborhood Four has not commenced by May 1, 2013 or (ii) at any future point there is no ongoing construction on Neighborhood Four for a period of two consecutive years. Without limiting the foregoing, the development of any building in Neighborhood Four after residential building 4.1 will require that prior to the commencement of construction for such building at least 50% of the planned units for such building have been reserved with refundable \$1,000 deposits (except that residential building 4.2 will require such deposits for 70% of the planned units), unless any such percentage requirement is waived by the Trustee in writing. Initial Entrance Deposits from Neighborhood Four will be deposited with the Trustee pursuant to Section 4.04 of the Indenture and after application of the flow of funds provisions of Section 4.04 (a), shall not be paid to Ann's Choice but rather shall be paid, so long as there is no monetary default or material default by Redwood-ERC Senior Living Holdings, LLC, Redwood-ERC Development, LLC, Redwood-ERC Properties, LLC, Warminster Campus, or any affiliates or subsidiaries thereof ("Redwood") under any agreement related to the Ann's Choice Campus to which Redwood is a party other than the management agreement (the "Redwood Documents"), as partial consideration for sale of the Facility to Warminster Campus in accordance with the development agreement, free and clear of the lien of the Indenture and Bond Documents. In the event of a monetary default by Redwood under the Redwood Documents, the Trustee may retain Initial Entrance Deposits only up to the amount of such monetary default and in the case of such monetary or other material default, upon fifteen days prior notice to Redwood, the Trustee may apply the amount so retained to cure such default. If the development agreement is terminated as provided herein, Redwood's right to receive Initial Entrance Deposits from Neighborhood Four shall be limited to Initial

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Entrance Deposits from buildings substantially completed as of the date of such termination. A development fee equal to 5% of Initial Entrance Deposits from Neighborhood Four will be deposited into the Development Fee Account under the Indenture. The Trustee will release the portion of the amounts on deposit in the Development Fee Account allocable to a particular building directly to Warminster Campus upon receipt of a certification from Warminster Campus and Ann's Choice that such building is at least 90% occupied and an Independent Construction Consultant has delivered a Reasonableness Determination with respect to all buildings then currently under construction. In exchange for the release of the membership interests described in paragraph 12, Ann's Choice will collaterally assign the development agreement to the Trustee and Warminster Campus shall acknowledge and agree to such assignment.

4. In connection with development of Neighborhood Four, as a condition to any right to receive the Initial Entrance Deposits from each Phase thereof, Redwood will provide a completion guaranty on substantially the same terms as the current Erickson completion guaranty, providing for substantial completion within 18 months of the commencement of such Phase of construction (as defined in such completion guaranty). RB 4.2 and the community building for Neighborhood Four shall be treated as a single Phase as defined in and for purposes of the completion guaranty.

5. Commencing on the Effective Date, Initial Entrance Deposits from the first three neighborhoods available to be loaned as a Community Loan (net of marketing costs) shall be escrowed in an amount not to exceed \$10 million ("Escrow") and applied as set forth in this paragraph. Prior to the Closing (as defined in the Purchase Option Agreement), the Facility and the Facility Site will be appraised. To the extent that the appraised going concern value of the Facility and the Facility Site, as is, is at least \$75 million, Warminster Campus will not have any refund obligations to Ann's Choice under the Purchase Option Agreement and all remaining Initial Entrance Deposits collected from the first three neighborhoods shall be paid in accordance with the terms of paragraph 7 to Warminster Campus as partial consideration for sale of the Facility and the Facility Site. To the extent that the appraised going concern value, as is, is less than \$75 million, Warminster Campus will be obligated to refund on the date of Closing the portion of purchase price under the Purchase Option Agreement equal to such shortfall, up to a maximum of \$10 million (capped at Initial Entrance Deposits from the first three neighborhoods net of marketing costs payable to Warminster Campus). Notwithstanding the preceding sentence, the due date of such refund will be delayed to the earlier to occur of (i) receipt of a final certificate of occupancy issued by the appropriate governmental authorities for the last building of Neighborhood Four that will be built, as mutually determined by Warminster Campus and Ann's Choice, or (ii) the expiration or termination of the development period if (x) the Trustee receives an opinion as described in Paragraph 13 with respect to such delay and (y) Redwood delivers to the Trustee a guaranty for refund amount, which guaranty will be collateralized by a letter of credit or the escrow of Initial Entrance Deposits from the first three neighborhoods referenced above, on terms acceptable to the Trustee. If payment of the refund is delayed pursuant to the preceding sentence, the property shall be re-appraised at a time determined by Redwood. If the going concern value as shown in such reappraisal is less than \$75 million, then Warminster Campus will refund a portion of the purchase price in the amount of such shortfall, up to a maximum of \$10 million (capped at Initial Entrance Deposits from the first three neighborhoods net of marketing costs payable to Warminster Campus). Amounts on

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deposit in the Escrow not applied to such refund will be disbursed to Warminster Campus. Any refund paid (including from the Escrow) shall be deposited with the Trustee in the Redemption Account and applied to first redeem the Series B Bonds and second to redeem the Series A Bonds, by optional redemption on the next available date, unless otherwise agreed to by the Trustee.

6. The amounts on deposit in the Operating Reserve Fund will not be disbursed to Warminster Campus in connection with the exercise of the purchase option but will be disbursed after such date as partial consideration for the sale of the Facility and Facility Site if, as of any Remaining Liquidity Testing Date, Ann's Choice has (a) achieved a Debt Service Coverage Ratio of at least 1.20 and (b) has 180 Days Cash on Hand (assuming the disbursement of the Operating Reserve Fund), in each case as of such Remaining Liquidity Testing Date, as further described in paragraph 11. Notwithstanding the foregoing, if Warminster Campus (i) has not commenced construction of Neighborhood Four by May 1, 2013, (ii) provides notice to Ann's Choice and the Trustee that it is terminating the development agreement, and (iii) is not in default under any agreements relating to Ann's Choice, then, so long as there is no Event of Default under any Bond Document, the Operating Reserve Fund shall be disbursed to Warminster Campus within 90 days after delivery by Warminster Campus of notice of termination of the development agreement to Ann's Choice, so long as and only to the extent that following such release Ann's Choice has 90 Days Cash on Hand.

7. Commencing on the Effective Date, Redwood and Ann's Choice will implement their agreed upon policy regarding the modified accounting treatment of Initial Entrance Deposits for internal transfers from an independent living unit to an initially occupied Renaissance Garden unit. After the Closing, Initial Entrance Deposits with respect to existing inventory and with respect to Neighborhood Four will continue to be deposited with the Trustee and applied as set forth in the Indenture. After passing through the flow of funds set forth in the Indenture, such Initial Entrance Deposits (not otherwise required to be escrowed pursuant to paragraph 5) will, so long as there is no monetary default or material default by Redwood under the Redwood Documents, be paid directly to Warminster Campus, as partial consideration for the sale of the Facility and Facility Site, free and clear of all liens created by the Indenture, the Mortgage and the other Bond Documents. In the event of a monetary default, the Trustee may retain Initial Entrance Deposits only up to the amount of such monetary default and in the case of monetary or other material default, upon fifteen days prior notice to Redwood, the Trustee may apply the amount so retained to cure such default. After Closing, debt service on the Bonds will be paid in the first instance from available operating revenues of Ann's Choice.

8. After the Closing, the amount of any Initial Entrance Deposits required by the Indenture to be diverted to the Debt Service Reserve Fund or disbursed from the Operating Reserve Fund to any party other than Warminster Campus shall be repaid by Ann's Choice to Warminster Campus, with interest at the rate set forth in the Working Capital Loan Agreement in effect at the original issue of the Ann's Choice Bonds, and with other terms parallel to the terms of such Working Capital Loan Agreement, including but not limited to subordination pursuant to the Warminster Subordination Agreement; except to the extent that such diversion is the result of a material default by Redwood under the Redwood Documents. Any payments of principal under this paragraph 8 will be made on a Remaining Liquidity Testing Date, subject to

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satisfaction of the Payment Test and meeting the Liquidity Covenant after taking into account such payment. Interest on diverted amounts may be paid at any time such payment is permitted under the Warminster Subordination Agreement.

9. The Trustee, acting at the direction that it has received from the holders of a majority in aggregate principal amount of the Ann's Choice Bonds, will consent to an amendment to the Loan Agreement to be effective on the Effective Date of the Plan deferring the \$7 million Series B Bond redemption required by Section 8.22 of the Loan Agreement in connection with the exercise of the purchase option subject to performance by all other parties of the matters set forth in this Exhibit __. Such redemption will be deferred and will be payable upon Series B Bond maturity, unless such Bonds are otherwise redeemed pursuant to paragraph 5 above. The Trustee will receive in connection with such amendment the opinions and other documents and consents that are required by the Bond Documents. Ann's Choice and the Trustee will also amend the Loan Agreement as of such Effective Date to provide for the delivery of monthly reports as described in Section 8.08(d) after the Closing. Delivery of such amendment of the Loan Agreement is a condition precedent to Ann's Choice and Redwood's obligations under this Exhibit.

10. Warminster Campus will reinstate the Working Capital Loan Agreement on its current terms, subject to the provisions of this Exhibit __, including that Warminster Campus' obligation to make revolving loans shall be capped at \$5,000,000. Initial Entrance Deposits diverted to the Debt Service Reserve Fund or used for operating expenses as described in paragraph 8 shall not count against the \$5 million limit. Loan advances under the Working Capital Loan Agreement shall be used solely for valid operating expenditures for the operation of the Facility (including principal of and interest on Bonds), and shall not be used to achieve compliance with the Liquidity Covenant or to replenish reserves required to be maintained under the Indenture and the Loan Agreement. Principal due under the Working Capital Note will be paid on each Remaining Liquidity Testing Date, but only if the Payment Test is satisfied. Interest on the Working Capital Note may be paid at any time such payment is permitted under the Warminster Subordination Agreement.

11. "Payment Test" for purposes of this Exhibit __ means as of any Remaining Liquidity Testing Date that (a) Ann's Choice has achieved a Debt Service Coverage Ratio of at least 1.20 for the twelve month period ending on such Remaining Liquidity Testing Date, (b) following the payment, Ann's Choice has 90 Days Cash on Hand as of such Remaining Liquidity Testing Date and (c) payment is permitted by the Warminster Subordination Agreement. For purposes of the Payment Test and any release of the Operating Reserve Fund, (a) Days Cash on Hand will be as defined in the Indenture, will exclude all funds held by the Trustee, will not include availability on any Indebtedness, including the Working Capital Loan, and will otherwise be calculated as set forth in the Bond Documents and (b) the Debt Service Coverage Ratio as of a Remaining Liquidity Testing Date will be calculated based on the twelve month period ending with such Remaining Liquidity Testing Date.

12. The pledge of membership interest in Warminster Campus will be released by the Trustee, after release of the pledge in such membership interests in favor of HCP, upon execution of a development agreement satisfying the requirements of this Exhibit and the

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inclusion in the Mortgage of a cross default in the event that Redwood does not own 100% of the membership interest in Warminster Campus at any time prior to the Closing Date.

13. The new management agreement for Ann's Choice (the "Management Agreement") will be in the form of Attachment A. Prior to the execution of any management agreement, Ann's Choice will deliver to the Trustee an opinion of Bond Counsel to the effect that the execution and performance of the Management Agreement will not adversely impact the exclusion from gross income of the holders of interest on the Bonds. Any modification or amendment of the Management Agreement and any new management agreement will be subject to the approval of the Trustee and delivery to the Trustee of the Bond Counsel opinion described in the preceding sentence.

14. The Trustee and the bondholders will receive an opinion of Bond Counsel to the effect that the execution, delivery and performance of the modifications to the documents made to effectuate this document will not adversely impact the tax exemption of the Bonds and an opinion from counsel to the Borrower with respect to the 501(c)(3) status of Ann's Choice, each in form and from a firm acceptable to the Trustee.

15. Unless otherwise expressly modified herein, all Bond Documents (including without limitation, the Indenture, the Loan Agreement, and the Mortgage), the Working Capital Loan Agreement, the Community Loan and the Master Lease will remain in full force and effect, without modification, except as expressly consented to by the Trustee in writing.

16. The performance by Ann's Choice, Redwood and the Trustee of actions hereunder shall be mutually conditioned on the occurrence of the actions, conditions, and events, and performance by other parties, as set forth herein.

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Attachment A – Form of Management Agreement