

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<b>In re:</b>	§	<b>CASE NO. 09-37010</b>
	§	
<b>ERICKSON RETIREMENT COMMUNITIES, LLC, <i>et al.</i></b>	§	<b>CHAPTER 11</b>
	§	
	§	<b>Jointly Administered</b>

**ORDER GRANTING DEBTORS' MOTION OF DEBTORS PURSUANT TO 11 U.S.C. §§  
105(a) AND 363(b) FOR AN ORDER AUTHORIZING PAYMENT OF  
PREPETITION EMPLOYEE SEVERANCE BENEFITS**

Upon the Debtors' motion for an order authorizing the payment of prepetition severance benefits, (the "Motion"), dated October \_\_, 2009; and all as more fully set forth in the Motion; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. §157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409, and due and proper notice of the Motion having been provided to the necessary parties; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and the appearances of all interested parties having been noted in the record of the Hearing; and upon the record of the

Hearing, and all of the proceedings had before the Court; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefore, it is hereby:

ORDERED that the Motion is GRANTED; and it is further

ORDERED that the Debtors are authorized, but not directed, to pay:

- a. The outstanding severance obligations to Laid-Off Employees listed in Exhibit A, including associated payroll processing obligations, withheld amounts, and uncashed severance checks issued before the Petition Date and to issue new checks to replace any dishonored checks; and
- b. Directly to third-parties, applicable deductions, including, but not limited to employee deductions; and it is further

ORDERED that the banks and financial institutions at which the Debtors maintain accounts relating to severance payments are directed to honor all checks, drafts or payment requests (provided that such funds are on deposit to cover such checks) without regard to the date of issue of such checks, drafts or payment requests in the same manner that such checks, drafts and payment requests were honored during the prepetition period, including electronic payment requests made by the Debtors related to employee obligations and benefits; and it is further

ORDERED that authorizations given to the Debtors in this Order empower, but do not direct them to effectuate the payments herein, said Debtors retaining the business judgment to make or not make said payments, and in all instances subject to the condition that funds are available to effect any payment and in no event is any person or persons personally liable or shall become personally liable for any amount authorized for payment herein; and it is further

ORDERED that nothing herein shall be deemed an assumption or adoption by the Debtors of any agreements or policies providing for such Prepetition Obligations to the Debtors' Employees; and it is further

ORDERED that this Court shall retain jurisdiction over any and all matters arising from or related to the implementation or interpretation of this Order; and it is further

ORDERED that to the extent that any payment made pursuant to this Order exceeds the statutory cap set forth in the Bankruptcy Code section 507(a) it shall be subject to recovery provided that to the extent any such payment is made pursuant to a contract that is subsequently assumed pursuant to Order of this Court, such payments shall not be subject to recovery; and it is further

ORDERED that the Debtors shall keep accurate records of all payments made pursuant to this Order.

**###End of Order###**