

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

United States Bankruptcy Judge

Signed April 16, 2010

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

In re:

**ERICKSON RETIREMENT
COMMUNITIES, LLC et al.,**

Debtors.

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Chapter 11

**Case No. 09-37010-SGJ
(Jointly Administered)**

**STIPULATION AND ORDER BETWEEN THE DEBTORS, DALLAS COUNTY AND
HARRIS COUNTY ET AL RESOLVING OBJECTION TO CONFIRMATION OF
DEBTORS' FOURTH AMENDED JOINT PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE**

This Order and Stipulation is made as of April 14, 2010, by and among Erickson Retirement Communities, LLC ("Erickson") and its affiliated debtors and debtors-in-possession (together with Erickson, the "Debtors")¹ and Dallas County and Harris County et al.

¹ In addition to Erickson Retirement Communities, LLC, the following entities are debtors in these related cases: Dallas Campus, LP, Dallas Campus GP, LLC, Erickson Group, LLC, Erickson Construction, LLC, Senior Campus Services, LLC, Ashburn Campus, LLC, Columbus Campus, LLC, Concord Campus, LP, Concord Campus GP, LLC, Houston Campus, L.P., Littleton Campus, LLC, Kansas Campus, LLC, Novi Campus, LLC, Warminster Campus, L.P. and Warminster Campus GP, LLC.

(collectively, the “Texas Taxing Authorities”, and together with the Debtors, the “Parties”) hereby stipulate as follows:

WHEREAS, the Debtors have agreed to resolve the Texas Taxing Authorities’ objection to confirmation of the *Debtors’ Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code*, as amended from time to time (the “Plan”), by entering into this Stipulation and Order, which is incorporated by reference in the *Order Confirming Debtors’ Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (the “Confirmation Order”).

IT IS THEREFORE AGREED, AND UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED AS FOLLOWS:

1. At the sale closing, the Debtor’s will pay the undisputed portion of the pre-petition tax Claims of the Texas Taxing Authorities and all other ad valorem property taxes for tax years 2004, 2007, 2008 and 2009 owed on property owned by the Debtors, claimed to be owned by the Debtors, or in which the Debtors claim an interest by listing it on their Schedule A or through other means, including but not limited to, all property located at the community known as Eagle’s Trace and all property located at the community known as Highland Springs with interest under 11 U.S.C. § 506(b) from the Petition Date until the Effective Date, as well as from the Effective Date until paid in full pursuant to 11 U.S.C. § 1129, at the statutory rate of one percent (1%) per month as provided in 11 U.S.C. § 511. The liens securing year 2010 ad valorem business personal property taxes and real property taxes for tax year 2010 shall remain attached to the properties.

2. At the closing of the sale of the Debtors’ assets, the Debtors shall also deposit in to a segregated account funds representing the disputed amount of ad valorem property taxes

plus interest pursuant to 11 U.S.C. sections 506(b) and 511 as adequate protection of the Texas Taxing Authorities' liens for ad valorem real and business personal property taxes for tax years 2004 and 2007 through 2009. The liens of the Texas Taxing Authorities shall attach to the funds in the segregated account. The amount segregated is not dispositive of the amounts owed and shall not limit the amount of ad valorem property taxes owed to the Texas Taxing Authorities. Upon resolution of any Claim objection and/or dispute concerning the amount of ad valorem property taxes owed, either by agreement of the parties or Bankruptcy Court order, the Debtors shall pay any unpaid amount with interest that has accrued pursuant to 11 U.S.C. Sections 506(b), 511 and 1129 within thirty (30) days of such agreement or entry of the Bankruptcy Court's order.

3. Notwithstanding anything to the contrary in the Plan, the Plan Supplement or the Confirmation Order, the Texas Taxing Authorities shall retain all statutory tax liens against the Debtors' real and business personal property that secure prepetition and post-petition ad valorem property taxes until all amounts owed are paid in full and upon closing of the sale shall retain liens against the proceeds of those assets until all amounts are paid in full. These statutory liens shall not be primed by any liens granted by the Debtors or the Reorganized Debtors under the Plan, the Plan Supplement, the Confirmation Order or otherwise.

4. Notwithstanding anything to the contrary in the Confirmation Order or the Plan, nothing in the Plan or the Confirmation Order shall affect the relief requested in the Debtors' Amended Motion for Determination of Tax Liability [Docket No. 1287], as may be amended (the "Determination Motion"), and the Texas Taxing Authorities reserve all rights, privileges and defenses regarding the Determination Motion.

5. Notwithstanding the fact that the foregoing language is not in the Confirmation Order, the Parties agree to be bound by the foregoing language as if set forth in the Confirmation Order itself.

6. The Bankruptcy Court shall have jurisdiction over any action of proceeding arising out of, or relating to, this Order and Stipulation.

Agreed to by:

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