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

In Re: §
§ **Case No. 09-37010-SGJ**
ERICKSON RETIREMENT §
COMMUNITIES, LLC, ET AL § **Chapter 11**
Debtors §
§ **Jointly Administered**

**APPLICATION OF KENSINGTON ASSOCIATES, LLC FOR ALLOWANCE
AND PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS
PURSUANT TO 11 U.S.C. § 503 (b)(1)(A)**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Kensington Associates, LLC (“Kensington”) hereby moves this Court for an order allowing Kensington’s administrative expense claims pursuant to 11 U.S.C. § 503 (b)(1)(A) and, in support thereof, avers as follows:

1. On or about October 19, 2009 (the “Petition Date”), Erickson Retirement Communities, LLC et al (the “Debtor”), commenced this case by filing its voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

2. On or about November 23, 2009, Debtor filed a *Motion of Debtor’s for Order Authorizing Debtors to Reject Certain Unexpired Leases of Non-Residential Real Property and Related Listing Agreements* (the “Motion”). Kensington is the landlord of two (2) leases with the Debtor in respect to this Motion. According to the Motion, the Rejection Date is “the later of the (a) *the date of the filing of this Motion or (b) the date on which the Debtors have vacated the premises*”

(the "Rejection Date"). On February 10, 2010, this Court signed an Order authorizing the rejection of the leases and the leases were rejected pursuant to the Rejection Date.

I. THE WILKINS LEASE

3. Kensington was the Debtor's landlord pursuant to a lease on Debtor's location known as Wilkins Office 1 located at 4652 Wilkins Avenue, Catonsville, MD 21228 (the "Wilkins Lease"). The Debtor turned the keys over to Kensington on March 8, 2010 (the "Vacated Date"), which is the official date that the Debtor vacated the space. Kensington is currently seeking payment of administrative rent and charges for the period beginning December 1, 2009 and ending March 8, 2010 as an administrative expense claim.

4. Kensington's administrative expense claim for the rents due for the Wilkins Lease prior to the Vacated Date totals \$56,880.42 and is based on a per diem rent amount of \$563.16. A true and correct copy of the statement evidencing the administrative expense claim and monthly rent due is attached hereto as Exhibit "A". In order to calculate its claim Kensington has pro-rated the March rent through March 8, 2010.

II. THE BELTWAY LEASE

5. Kensington is also a party to a lease on Debtor's location known as Wilkins Beltway Plaza located at 817 Maiden Choice Lane, Catonsville, MD 21228 (the "Beltway Lease"). The Debtor turned the keys over to landlord on the Vacated Date. Kensington is currently seeking payment of rent and charges for the period beginning December 1, 2009 and ending March 8, 2010 as an administrative expense claim.

6. Kensington's administrative expense claim for the rents due for the Wilkins Lease prior to the rejection date totals \$9,906.14 and is based on a per diem rent amount of \$99.84. A true and correct copy of the statement evidencing the administrative expense claim and monthly rent due is

attached hereto as Exhibit "B". In order to calculate its claim Kensington has pro-rated the March rent through March 8, 2010.

III. GROUNDS

7. Section 365(a)(3) of the Bankruptcy Code provides that a debtor-in-possession shall timely perform all obligations of the Debtor arising from and after the Petition Date under any unexpired lease of non-residential real property until such lease is assumed or rejected. *See* 11 U.S.C. §365(b)(3). In addition, section 365(b)(a)(1) of the Bankruptcy Code provides that an administrative expense exists for the actual and necessary costs and expenses of preserving the debtor's estate, and section 507(a)(1) provides that administrative expenses allowed under Section 503(b) have first priority. *See* 11 U.S.C. §§ 503(b)(1)(a), 507(a)(1).

8. Kensington provided the Debtor with two leased premises which the Debtor used during the post-petition period. Kensington was not able to begin the re-leasing process until the Vacated Date because the lease was not rejected until the Vacated Date. The rents accruing from December 1, 2009 through March 8, 2010 contribute to actual and necessary cost of administration and should be allowed and paid as claims under 11 U.S.C. § 503(b).

WHEREFORE, the Kensington respectfully requests that this Court grant the allowance and payment of their administrative claims in the amount of \$56,880.42 and \$9,906.14 respectively and for such other relief as it is justly entitled.

CERTIFICATE OF SERVICE

I hereby certify that Notice of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District and to the parties in interest listed below via U. S. Mail Postage prepaid on this 25th day of May 2010.

/s/Michelle E. Shriro
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