

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

In re:	§	Case No. 09-37010 (SGJ)
	§	Chapter 11
ERICKSON RETIREMENT	§	(Jointly Administered)
COMMUNITIES, LLC, <i>et al.</i>,¹	§	
	§	
Debtors.	§	

**STIPULATION AND ORDER PROVIDING
LIMITED RELIEF FROM INJUNCTION**

WHEREAS, on October 19, 2009 (the “Petition Date”), the above captioned debtors and debtors in possession (the “Debtors”) each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and have continued in the management and operation of their businesses and properties as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108 of the Bankruptcy Code; and

¹The Debtors in these chapter 11 cases are Erickson Retirement Communities, LLC, Ashburn Campus, LLC, Columbus Campus, LLC, Concord Campus GP, LLC, Concord Campus, LP, Dallas Campus GP, LLC, Dallas Campus, LP, Erickson Construction, LLC, Erickson Group, LLC, Houston Campus, LP, Kansas Campus, LLC, Littleton Campus, LLC, Novi Campus, LLC, Senior Campus Services, LLC, Warminster Campus GP, LLC, Warminster Campus, LP.

WHEREAS, prior to the Petition Date, Erickson Construction, LLC (“Erickson Construction”) acted as original contractor to Lincolnshire Campus, LLC (“Lincolnshire”) a non-debtor affiliate of the Debtors for the purpose of providing general contracting services in connection with the construction and improvement for and upon premises owned by Lincolnshire known as Renaissance Gardens at Sedgebrook, located at 20 Riverside Road, Lincolnshire, Illinois (the “Premises”); and

WHEREAS, Sherman Mechanical, Inc., Service Drywall & Decorating, Inc., and Superior Truss & Panel, Inc. (“Lincolnshire Lien Claimants”) assert that they each entered into a written agreement with Erickson Construction or one of Erickson Construction’s subcontractors, pursuant to which Lincolnshire Lien Claimants agreed to provide labor and materials in connection with the construction work at the Premises; and

WHEREAS, Lincolnshire Lien Claimants assert that they furnished all of the labor and materials they were requested to furnish, with the knowledge and consent of Lincolnshire, and which labor and materials furnished by Lincolnshire Lien Claimants were incorporated into the improvement of the Premises; and

WHEREAS, Lincolnshire Lien Claimants assert that they are owed sums for the labor and materials they furnished to the Premises, and, in order to protect their rights, Lincolnshire Lien Claimants recorded mechanic’s liens against the Premises and now wish to foreclose on said mechanic’s liens;

WHEREAS, on March 8, 2010, the Debtors’ filed their Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [D.I. No. 1005] (the “Plan”); and

WHEREAS, on April 16, 2010, the United States Bankruptcy Court for the Northern District of Texas – Dallas Division (the “Bankruptcy Court”) entered an Order Confirming the Plan [D.I. No. 1355] as amended by Order entered on April 16, 2010 (the “Confirmation Order”); and

WHEREAS, Section 12.2 of the Plan and the Confirmation Order provide for an injunction (the “Injunction”) against parties initiating legal proceedings against the Debtors (including Erickson Construction, LLC). and

WHEREAS, in order to enforce their lien rights Lincolnshire Lien Claimants filed suit in the Circuit Court of the Nineteenth Judicial Circuit, Lake County, Illinois, which claims are asserted in a case styled *Westside Mechanical Group v. Erickson Construction, LLC et al.*, Cause No. 09 CH 3289, in the Circuit Court of the Nineteenth Judicial Circuit, Lake County, Illinois (**the “Illinois Suit”**).

WHEREAS, the parties hereto desire to stipulate to modify the injunction provided in the Plan and in and the Confirmation Order (collectively the “Injunction”) so as to permit Lincolnshire Lien Claimants to proceed with their foreclosure action in the Illinois Suit;

NOW, THEREFORE, it is hereby stipulated and agreed by and between the Debtors and Lincolnshire Lien Claimants (collectively, the “Parties”) hereto as follows:

1. The Injunction is hereby modified solely to the extent necessary to permit Lincolnshire Lien Claimants to enforce their State Court mechanic’s lien rights and remedies, if any, against the Premises in the Illinois Suit. In the Illinois Suit, Lincolnshire Lien Claimants shall be entitled to (1) include Erickson Construction as a party-defendant, (2) initiate and obtain discovery from Erickson Construction, and (3) do everything reasonably necessary to establish their lien claims against the Premises and obtain a judgment foreclosing their liens, including obtaining the necessary factual

findings and legal determinations on Lincolnshire Lien Claimants' claims against Erickson Construction, except to the extent limited by Paragraph 2 below.

2. Lincolnshire Lien Claimants shall not seek any recovery from Erickson Construction in the Illinois Suit and shall not seek entry of any in personam judgment against Erickson Construction in the Illinois Suit.

3. Except as stated in Paragraph 1 hereinabove, nothing contained in the Stipulation shall operate as waiver or modification of the Injunction so as to permit prosecution against the Debtors of any claim or claims by any entity, including Lincolnshire Lien Claimants.

4. The Parties are authorized to enter into any related or ancillary agreements necessary or required to effectuate this Stipulation without obtaining court approval of such related or ancillary agreements.

5. This Stipulation shall be binding upon and inure to the benefit of the Parties and each of their respective predecessors, estates, successors and assigns.

6. This Stipulation may be executed in counterparts, each of which shall be deemed an original, but all of which together shall, when executed and delivered, constitute one and the same agreement. This Stipulation may be executed by facsimile signature and in counterparts, which shall have the same effect and force as an original signature.

7. This Stipulation is subject to the approval of this Court and upon such approval shall inure to the benefit of the Parties hereto and their respective successors and assigns.

8. Nothing in this Stipulation shall be deemed effective unless this Court approves this Stipulation. In the event this Court declines to approve this Stipulation, the Parties hereto shall return to their respective rights and obligations existing prior to the execution of this Stipulation. Nothing in this Stipulation shall be deemed an admission of the Parties.

9. U.S. Bank National Association as indenture trustee (the “Indenture Trustee”) for the \$137,145,000 Illinois Finance Authority Revenue Bonds (Sedgebrook, Inc. Facility) Series 2007A and Series 2007B reserves all rights in this Court or any other court or forum with respect to the substantive claims asserted in this Stipulation and in the “*Motion to Approve Stipulation Providing Limited Relief from Injunction*” filed by Lincolnshire Lien Claimants as Docket No. _____, including without limitation the validity and priority of liens, if any, Lincolnshire Lien Claimants may seek to establish.

End of Order

Dated: May 27, 2010

/s/ Vincent P. Slusher

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