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ATTORNEYS FOR THE DEBTORS  
AND DEBTORS IN POSSESSION

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

<b>In re:</b>	§	<b>CASE NO. 09-37010 (SGJ)</b>
	§	
<b>ERICKSON RETIREMENT COMMUNITIES, LLC, et al.</b> <sup>1</sup>	§	<b>CHAPTER 11</b>
	§	<b>Jointly Administered</b>
	§	
<b>Debtors.</b>		

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**DEBTORS' SECOND AMENDED MOTION FOR DETERMINATION OF TAX  
LIABILITY**

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<sup>1</sup> The 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.

The Debtors and Debtors in Possession herein (collectively, the “Debtors”), by their undersigned counsel, hereby file this Second Amended Motion for Determination of Tax Liability (the “Motion”). This Motion seeks relief on the same grounds as the Debtors’ original Motion for Determination of Tax Liability [Doc. No. 1211] filed on April 2, 2010, but this Motion includes an amended Exhibit A and an amended Exhibit B. At this time, the Debtors have chosen to remove certain taxing authorities from the scope of the Motion. This change is without prejudice to the Debtors later seeking relief as to the claims of those taxing authorities that have been removed, and the Debtors reserve all rights to later seek such relief. In support of the Motion, the Debtors rely on the Affidavit of Paul B. Rundell in Support of First Day Motions (the “Rundell Affidavit”), which is incorporated herein by reference, and respectfully state as follows:

#### **Jurisdiction and Venue**

1. This Court has jurisdiction over this Motion under 28 USC §§157 and 1334. This matter is a core proceeding within the meaning of 28 USC §157.
2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for the relief requested herein are §§ 105 and 505 of title 11 of the United States Code (the “Bankruptcy Code”).

#### **Background**

4. On October 19, 2009 (the “Petition Date”), the Debtors commenced these cases by each filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
5. The Debtors remain in possession of their assets and continue to operate and manage their businesses as debtors in possession pursuant to Bankruptcy Code §§ 1107 and 1108.

6. On November 2, 2009, the Office of the United States Trustee appointed a committee of unsecured creditors in these cases. No trustee or examiner has been appointed.

7. A hearing on confirmation of the Debtors' Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan") is scheduled to commence on April 15, 2010.

8. The factual background regarding each of the Debtors, including their current and historical business operations and the events precipitating these chapter 11 filings, is set forth in detail in the Rundell Affidavit, and is incorporated herein by reference.

### **Property Values and Taxes**

#### ***A. Marketing of Debtors' Assets***

9. Prior to the Petition Date, the Debtors engaged in extensive marketing efforts to identify potential investors (the "Potential Purchasers") to purchase substantially all of the assets of the Debtors' Business (the "Assets") or support a plan of reorganization as the plan sponsor. In March 2009, the Debtors retained Houlihan Lokey Howard & Zukin Capital, Inc. ("Houlihan") as its financial advisor to evaluate strategic alternatives and assist in the negotiation with its lenders, and in September 2009, Houlihan commenced a comprehensive marketing process contacting over 80 parties regarding the sale of the Assets. Houlihan's efforts included soliciting individual bids for each of the corporate and project Debtors' assets, as well as marketing the entire enterprise.

10. Redwood-ERC Senior Living Holdings, LLC ("Redwood"), a Maryland limited liability company, submitted a proposal (the "Redwood LOI") to purchase the Assets, in a letter of intent, dated September 12, 2009. The Debtors executed the Redwood LOI on September 17, 2009. The Debtors' board of directors approved the sale on September 19, 2009. On October

19, 2009, after extensive negotiations, the Debtors and Redwood agreed to the terms of a Master Purchase and Sale Agreement (the “Original Agreement”). As a result of the Auction and further negotiations, the Original Agreement was amended, as set forth in the Second Amended and Restated Master Purchase and Sale Agreement, a copy of which is attached to the Plan as Exhibit A.

11. As part of the marketing process, the Debtors and their professionals met with several additional Potential Purchasers that had expressed a high level of interest in the Assets. The Debtors provided each of the interested parties with marketing materials and access to an electronic data room. Several of the interested parties held meetings with the Erickson Retirement Communities, Inc. (“ERC”) management and/or National Senior Campuses, Inc. Houlihan continued to negotiate with and engage interested parties until December 14, 2009.

***B. The Auction***

12. The Debtors held an auction of their assets on December 22, 2009 (the “Auction”). The Auction commenced at 10:00 a.m. (prevailing Eastern Time) on December 22, 2009. Redwood and ERC Investment Holdings, LLC (“Coastwood”), an entity formed by affiliates of Coastwood Senior Housing Partners, LLC, Kohlberg Kravis Roberts & Co., and Beecken Petty O’Keefe & Company, LLC were qualified to bid on the Debtors’ Assets at the Auction.

13. During the Auction, the Debtors’ advisors engaged in extensive negotiations with the entities that own or lease various retirement campuses in an effort to extend the terms of their agreements with the Debtors for the management of the campuses. Ultimately, the parties agreed to extend the terms of the management agreements, which significantly increased the value of the Debtors’ Assets.

14. At the commencement of the Auction, the Debtors and their advisors deemed Coastwood's initial bid, consisting of cash, term loan A securities, and subordinated preferred term loan B securities, to be higher and/or better than Redwood's stalking horse bid. Because of the inherent uncertainty in valuing the different components of the competing bids during the Auction, the Debtors and their advisors determined that the best way to maximize the value of the Debtors' estates and to ensure the feasibility of the Plan would be to switch the bidding to "all cash."

15. To ensure the continued participation of both Redwood and Coastwood in the Auction process, thereby maximizing the potential recovery to all creditors and stakeholders, the Debtors, consistent with section VI of Exhibit A to the Bidding Procedures Order, agreed to pay the Auction Fee (10% of the final purchase consideration over \$275 million) to the unsuccessful bidder after consulting with the Debtors' advisors and the Debtors' constituencies. After 18 hours of negotiations and spirited bidding involving 25 rounds, Redwood was determined to be the successful bidder at the Auction with a final all cash bid price of \$365 million (the "Sale Price").

***C. The Recharacterization Adversary Proceedings***

16. On December 22, 2009, the Debtors through their respective bankruptcy counsel and conflicts counsel filed complaints commencing six adversary proceedings against various counterparties to the Concord Junior Loan, the Dallas Junior Loan, the Houston Junior Loan, the Littleton Junior Loan, the Novi Junior Loan, and the Warminster Junior Loan agreements. The Debtors are seeking a declaratory judgment determining that certain junior loan transactions are financings and not leases. If the Court properly characterizes the transactions as financing transactions, pursuant to applicable bankruptcy and non-bankruptcy law, the Debtors will be

deemed the owners of the properties (the “Pending Properties”) subject to the junior loans the lenders under the junior loans will hold secured or unsecured claims (depending on the secured status of the claims) against the Debtors for any amounts outstanding under the junior loans. If the Debtors are not successful in obtaining the relief they seek in the pending adversary proceeding, the Debtors will pursue alternative theories of relief and recourse. ***Subject to the confirmation of the Plan, the Debtors have settled all of the foregoing adversary proceedings.*** The Debtors will dismiss the adversary proceedings once the settlements are finalized and approved by the Court.

***D. Redwood’s Valuation and Allocation of the Debtors’ Assets***

17. Following the Auction, Redwood laid out its valuations of the Assets, allocating the Sale Price to each of the Debtor’s Assets, including the Taxed and Pending Properties, based on Redwood’s business judgment (the “Allocation”). The following is a summary<sup>2</sup> of the Allocation among the Debtors, which are based upon the percentage of proceeds allocated to each entity pursuant to the all-cash proposal provided by Redwood in their December 18, 2009 term sheets.

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<sup>2</sup> The following chart is intended as only a summary of the allocation. To the extent the content of the chart is inconsistent with the terms contained in the Plan documents, the terms of the Plan documents shall control.

Gross Cash Sale Proceeds	\$ 365,000
NSC Allocation	(9,000)
<b>Cash Proceeds Available for Distribution</b>	<b>\$ 356,000</b>

<b>Campus</b>	<b>Purchase Price Allocation</b>	<b>% Total</b>
Ashburn	\$ 68,775	19.3%
Concord	59,866	16.8%
Dallas	26,554	7.5%
Houston	12,689	3.6%
Kansas	-	0.0%
Littleton	55,850	15.7%
Novi	36,563	10.3%
Warminster	-	0.0%
<b>Total Campuses</b>	<b>\$ 260,298</b>	<b>73.1%</b>
<b>Corporate</b>	<b>95,702</b>	<b>26.9%</b>
<b>Total</b>	<b>\$ 356,000</b>	<b>100.0%</b>

***E. Court's Acceptance of Redwood's Valuations***

18. On March 23, 2010, the Court considered and heard testimony regarding the Motion for Order Determining Appropriate Allocation of Sales Proceeds (the "Allocation Motion") [Dkt. No. 906] filed by Strategic Ashby Ponds Lender LLC and Strategic Concord Landholder, LP. During that hearing, the Court heard extensive testimony from Matthew Niemann, the Managing Director of Houlihan. Mr. Niemann, on direct, cross, and recross examination, presented extensive evidence and testimony regarding the methodology employed in allocating the Sale Price to the Debtors' Assets. Mr. Niemann also testified, with certainty, that the Sale Price was the fair market value of Assets.

19. Following his testimony, the Court accepted Mr. Niemann's testimony as true, and determined that the Sale Price and Allocation reflected the fair market value of the Debtors' Assets. Specifically, the Court stated that, "based on all the evidence presented,... the valuation allocation proposed for the Redwood consideration is fair and reasonable." Hr'g Tr. 86:23-25,

March 23, 2010. Moreover, the Court held that “[t]here did end up being a competitive auction among two competing bidders with substantial financial wherewithal, which bidders appeared from the evidence to have been ready, willing and able to buy without duress.... The Court believes that this extensive and fulsome auction process did yield a fair price for the assets....” Hr’g Tr. 87:12-15, 22-23, March 23, 2010. Finally, the Court held that “the market perception and the auction results seem to be the best indicator one could obtain here, and the Court believes that, in sum, *the allocation proposed here appears to be reasonable and fair* based on not just the data points which Houlihan analyzed and presented, but based on the independent bids of Coastwood and Redwood and the auction overall, as well as the lender support.” Hr’g Tr. 88:13-20, March 23, 2010 (emphasis added).

***F. Taxing Agencies’ Proofs of Claim and Valuations***

20. Following the Petition Date, various local tax authorities (each an “LTA”) filed proofs of claim (“Proofs of Claim”) asserting ad valorem tax claims on a number of the Assets, consisting of both personal and real property of the Debtors (the “Owned Properties”). The taxes sought from the Debtors in the Proofs of Claim are based on the LTAs’ asserted valuations of the Owned Properties. A summary of each LTA’s Proof of Claim and a list of the Owned Properties is attached as Exhibit “A”. The LTAs’ valuations of the Owned Properties far exceed the amount Coastwood and Redwood were willing to pay for them.

21. Additionally, the Pending Properties, which the Debtors plan on taking title to, have tax balances presently due and/or forthcoming. A summary of the taxes asserted against the Pending Properties is attached as Exhibit “B”. They too are based on various LTAs’ alleged valuations of the Pending Properties. Because the Debtors believe they will ultimately gain title to the Pending Properties, and the asserted taxes against the Pending Properties are significant,



Debtors request that the Court also evaluate the LTAs' valuations of the Pending Properties and the related tax balances.

***G. Treatment of Secured Taxes under the Plan***

22. The Plan, subject to approval, sets forth the Debtors' treatment of asserted secured tax claims, such as those detailed in Exhibits A and B. *See* Plan at § VI.C. The Plan provides the Debtors with several options to satisfy the claims, but it also provides that<sup>3</sup>

The Debtors and the Reorganized Debtors specifically reserve the right to challenge the validity, nature, and perfection of, and to avoid pursuant to the provisions of the Bankruptcy Code and other applicable law, any purported liens relating to the Secured Tax Claims.

In other words, the Plan provides for the treatment of secured tax claims, but also permits the Debtors to challenge the validity, nature and perfection the claims as permitted under the Bankruptcy Code.

**Relief Requested**

23. The LTAs' valuations and the related taxes far exceed the fair market values of the Owned Properties and Pending Properties (collectively the "Taxed Properties"). The Sale Price and Allocation, which resulted from the Auction, are a better measure of the market value of the Taxed Properties than the estimated values asserted by the LTAs. The Court has already held that the Sale Price and Allocation are reflections of the fair market value of the Assets, which include the Taxed Properties. The Court has the authority to determine the values of the Taxed Properties and adjust the assessed taxes accordingly. The Debtors request that the Court (i) determine the fair market values of the Taxed Properties based on the Sale Price and Allocation; and (ii) adjust the Debtors' tax liabilities related to the properties.

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<sup>3</sup> The following is intended as only an example of an excerpt of the Plan. To the extent the content of the excerpt is inconsistent with the the Plan documents, the terms of the Plan documents shall control.

## Arguments and Authorities

### A. *The Court Can Determine the Values of the Taxed Properties and the Debtors' Tax Liabilities*

24. The Bankruptcy Code vests the Court with subject matter jurisdiction to determine the amount and validity of the tax assessments related to the Taxed Properties. *See* 11 U.S.C. § 505. Section 505 of the Bankruptcy Code has been interpreted to permit the bankruptcy court to determine the amount of real estate and personal property taxes. *In re Blue Cactus Post, LC*, 229 B.R. 379, 386-87 (Bankr. N.D. Tex. 1999) (applying § 505 to challenge taxes on personal property); *In re Custom Distrib. Servs., Inc.*, 216 B.R. 136 (Bankr. D.N.J. 1997) (applying § 505 to challenge taxes on real property), *aff'd in part, rev'd in part, on other grounds*, 224 F.3d 235 (3d Cir. 2000). It also gives the court the authority to determine the value of property upon which such taxes are based. *In re Blue Cactus Post, LC*, 229 B.R. at 386-87 (citing *In re Fairchild Aircraft Corp.*, 124 B.R. 488, 492 (Bankr. W.D. Tex. 1991) (“Simple logic demonstrates that property tax valuation is in fact a two-part process, consisting of both valuation and tax rate adjustment.... The use of Section 505 to, in effect, remove only that valuation adjudication stage to the bankruptcy court is entirely consistent with the intended function of that section and does not undermine the state property taxation process.”)). Such valuations by the bankruptcy court are made in accordance with the substantive state law where the property is located, but the procedural aspects of the valuation are governed by the Bankruptcy Code. *See Id.*

25. The Bankruptcy Code does, however, make certain considerations of local tax procedural rules. For example, as amended in 2005, Bankruptcy Code § 505(a)(2) limits the bankruptcy court’s authority by prohibiting it from determining a debtor’s tax liability when the “amount or legality [of the tax] was contested before and adjudicated by a judicial or

administrative tribunal of competent jurisdiction before the commencement of the case under [the Bankruptcy Code], ... [or] the applicable period for contesting or redetermining [the ad valorem tax on real or personal property of the estate] under any law (other than a bankruptcy law) has expired.” 11 U.S.C. § 505(a)(2).

26. In this case, the Court may use its authority to set the values of the Taxed Properties at their respective fair market values based on Redwood’s Allocation and the related Sale Price, and then adjust the corresponding taxes accordingly. *See* 11 U.S.C. § 505(a)(2); *In re Blue Cactus Post, LC*, 229 B.R. at 386-87.

***B. The Sale Price and Allocation are Evidence of Fair Market Value***

27. The going-concern value of an asset sold in a “going-concern” sale is the amount that is actually received in such sale. It is well-established that the best evidence of value is what an asset can be sold for in the open market in an arms-length transaction.

28. The market is considered a reliable indicator of value, and the best evidence of value is a recent sale price for the property in question. *Bank of Am. Nat’l Trust and Sav. Assoc. v. 203 N LaSalle St, P’ship*, 526 U.S. 434, 458 (1999) (“[T]he best way to determine value is exposure to a market”); *VFB LLC v. Campbell Soup Co.*, 482 F.3d 624, 633 (3d Cir. 2007) (“Absent some reason to distrust it, the market price is a more reliable measure of the stock’s value than the subjective estimates of one or two expert witnesses.”) (internal citations omitted); *Ford Motor Credit Co. v. Dobbins*, 35 F.3d 860, 870 (4th Cir. 1994) (“We hold that when secured collateral has been sold, so long as the sale price is fair and is the result of an arm’s-length transaction, courts should use the sale price, not some earlier hypothetical valuation . . .”); *Romley v. Sun Nat’l Bank (In re Two “S” Corp.)*, 875 F.2d 240, 244 (9th Cir. 1989) (“Evidence of other appraised values is also irrelevant, because the sale price is a better indicator of the

asset's value than any estimate of value given prior to sale.”); *Takisaki v. Alpine Group, Inc. (In re Alpine Group, Inc.)*, 151 B.R. 931, 935 (9th Cir. B.A.P. 1993) (“Here, there was an actual sale. The offered price . . . is conclusive evidence of the property’s value.... The value of [the secured party’s] secured claim should have been determined by reference to the actual sale proceeds.”); *In re Kids Stop of America, Inc.*, 64 B.R. 397, 401 (Bankr. M.D. Fla. 1986) (“If there is to be a disposition of the property, then the valuation of the collateral should be based on the funds received from the disposition so long as the disposition is commercially reasonable.”); *In re TennOHIO Transp. Co.*, 247 B.R. 715, 720 (Bankr. S.D. Ohio 2000) (valuation was determined by “[t]he sale price obtained . . .”).

29. Here, the Debtors engaged in extensive pre- and postpetition marketing efforts with respect to the sale of the Debtors’ Assets. The Debtors’ financial advisor contacted over 80 Potential Purchasers of the Assets. The marketing efforts culminated at the Auction where Redwood and Coastwood engaged in 18 hours of spirited bidding and negotiations, resulting in the Debtors’ Assets being priced at \$365 million. The Auction was duly noticed and conducted in good faith. The Debtors believe, and the Court has held, that the \$365 million Sale Price accurately reflects the fair market value the Debtors’ Assets. Hr’g Tr. 86:23-25, March 23, 2010. Moreover, it is significant that no party has objected to the sale to Redwood or total amount of the Sale Price to be received by the Debtors’ estates pursuant to the sale.

30. The LTAs’ assert in their respective Proofs of Claim and tax statements that the taxes levied against the Taxed Properties are based on the Taxed Properties’ respective values. However, the LTAs’ alleged valuations of the Taxed Properties far exceed the Allocation and what Redwood ultimately paid for Taxed Properties. Redwood’s Allocation stems from the Auction held under the supervision and at the direction of this Court – an auction designed to

seek the fair market price for the Taxed Properties. The Allocation details what Redwood believed, at the time of the Auction, to be the market value of the Assets, including the Taxed Properties. Therefore, the Allocation is a reflection of the Sale Price and thus the market value of the Assets, including the Taxed Properties. Thus the values in the Allocation are a reflection of the market value of the Taxed Properties and should guide the Court in valuing the Taxed Properties and determining the proper amount of applicable taxes. *See Bank of Am. Nat'l Trust and Sav. Assoc. v. 203 N LaSalle St, P'ship*, 526 U.S. 434,458 (1999) (“[T]he best way to determine value is exposure to a market”).

31. As the sale of property is the best indication of its value, the Court should disregard the LTAs' valuations and instead focus on the amount Redwood actually paid for the Taxed Properties, as reflected by the Sale Price and related Allocation, to determine the Debtors' tax liabilities. The Court has already held that “Mr. Niemann very credibly testified, the market perception and the auction results seem to be the best indicator one could obtain here, and the Court believes that, in sum, *the allocation proposed here appears to be reasonable and fair* based on not just the data points which Houlihan analyzed and presented, but based on the independent bids of Coastwood and Redwood and the auction overall, as well as the lender support.” Hr'g Tr. 88:13-20, March 23, 2010 (emphasis added).

32. It is clear that the LTAs' valuations of the Taxed Properties for the years included in the attached Exhibits A and B and the related taxes are excessive. Debtors, therefore, request this Court determine the true value of the Taxed Properties based on the Sale Price and Allocation, and determine the tax liabilities related to the Taxed Properties for the years detailed in the Proofs of Claim.

WHEREFORE, PREMISES CONSIDERED, the Debtors request that this Court (i) grant the relief requested in the Motion, (ii) determine the tax valuation of the Taxed Properties and the related taxes payable under each of the Proofs of Claim, (iii) determine the tax valuation of the Pending Properties and the related taxes payable on the Pending Properties, and (iv) grant the Debtors such other and further relief, both at law and in equity, which is just and proper.

Date: May 28, 2010  
Dallas, Texas

Respectfully submitted,

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ATTORNEYS FOR THE DEBTORS  
AND DEBTORS IN POSSESSION

**Exhibit A**

Summary of Owned Properties and Proofs of Claim

**Exhibit A**

<b>Owned Properties</b>								
<b>No.</b>	<b>Local Tax Authority (LTA)</b>	<b>LTA's Notice Address</b>	<b>Date of Claim</b>	<b>Taxed Entity</b>	<b>Year</b>	<b>LTA's Assessed Value of Property</b>	<b>Claim Amount</b>	<b>Type of Tax</b>
1728	Baltimore County, Maryland	400 Washington Ave., Room 219, Towson, MD 21204	2/18/2010	Erickson Construction, LLC, Erickson Retirement Communities, LLC	7/2009-6/2010	\$4,738,830.00	\$135,229.93	Personal Property Tax
1318	Board of County Commissioners Johnson County, Kansas	111 South Cherry St., Olathe, KS 66061	2/25/2010	Kansas Campus, LLC	2009	\$35,096,120.00	\$1,729,323.11	Real Property Tax
1754	Board of County Commissioners of Johnson County, Kansas	111 South Cherry St., Olathe, KS 66061	2/19/2010	Kansas Campus, LLC	2009	\$35,096,120.00	\$1,729,323.11	Real Property Tax
2	Dallas County, Texas	2323 Bryan Street, Ste 1600, Dallas, TX 75201	10/26/2009	Erickson Retirement Communities, LLC	2004		\$62.93	Personal Property Tax
6	Dallas County, Texas	2323 Bryan Street, Ste 1600, Dallas, TX 75201	10/28/2009	Dallas Campus, LP	2009		\$440,460.52	Real Property Tax
94	Dallas County, Texas	2323 Bryan Street, Ste 1600, Dallas, TX 75201	12/1/2009	Dallas Campus, LP	2009		\$440,460.52	Real Property Tax
67	Douglas County, Colorado	PO Box 1208, 11 Third St., Castle Rock, CO 80104	11/23/2009	Littleton Campus, LLC	2008-2009	2008: \$46,707,846.00; 2009: \$79,757,250.00	\$989,025.84	Real Property Tax
126	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Littleton Campus, LLC	2010	\$862,966.00	\$6,578.00	Real Property Tax
127	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Littleton Campus, LLC	2010	\$79,757,250.00	\$608,013.00	Real Property Tax
128	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Littleton Campus, LLC	2010	\$1,843,506.00	\$51,201.00	Personal Property Tax
129	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Littleton Campus, LLC	2009	\$1,843,506.00	\$51,201.00	Personal Property Tax
130	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Littleton Campus, LLC	2009	\$3,304,113.00	\$81,458.00	Real Property Tax
131	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Littleton Campus, LLC	2010	\$3,304,113.00	\$81,458.00	Real Property Tax
132	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Erickson Construction, LLC	2009	\$201,752.00	\$5,604.00	Personal Property Tax
133	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Erickson Construction, LLC	2010	\$201,752.00	\$5,604.00	Personal Property Tax
134	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Littleton Campus, LLC	2009	\$2,301,536.00	\$56,741.00	Real Property Tax
135	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	12/14/2009	Littleton Campus, LLC	2010	\$2,301,536.00	\$56,741.00	Real Property Tax
525	Douglas County, Colorado	100 Third St., Castle Rock, CO 80104	1/19/2010	Littleton Campus, LLC	2009	\$862,966.00	\$6,542.93	Real Property Tax
3	Harris County, Texas, et al	PO Box 3064, Houston, TX 77253	10/28/2009	Erickson Construction, LLC	2009	\$209,103.00	\$5,201.41	Personal Property Tax
9	Harris County, Texas, et al	PO Box 3064, Houston, TX 77253	10/28/2009	Houston Campus, LP	2009	\$1,274,992.00	\$32,176.97	Personal Property Tax



	al	TX 77253						
95	Harris County, Texas, et al	PO Box 3064, Houston, TX 77253	12/2/2009	Houston Campus, LP, Eagle's Trace Inc.	2009	\$2,730,274.00	\$68,903.93	Personal Property Tax
96	Harris County, Texas, et al	PO Box 3064, Houston, TX 77253	12/2/2009	Erickson Construction, LLC	2009	\$190,978.00	\$4,819.69	Personal Property Tax
844	Lexington, Massachusetts, Town of	PO Box 309, Lexington, MA 02420	2/8/2010	Erickson Retirement Communities, LLC	2009	\$9,420.00	\$77.53	Personal Property Tax
4	Loudoun Virginia, County of	PO Box 7000 (MSC #06), Leesburg, VA 20177	10/28/2009	Ashburn Campus LLC	2009	\$82,259,787.00	\$513,860.66	Real & Personal Property Tax
887	Mecklenburg County North Carolina Tax Collector	PO Box 31637, Charlotte, NC 2831-1637	2/16/2010	Charlotte Campus, LLC	2009	\$9,485,300.00	\$114,193.11	Real Property Tax
5	Oakland County Michigan Treasurer	1200 n. Telegraph Rd., Dept. 479, Pontiac, MI 48341	10/29/2009	Novi Campus LLC	2009	\$55,921,950.00	\$2,802,383.10	Real Property Tax
1305	Overland Park Kansas, City of	8500 Santa Fe Dr., Overland Park, KS 66221	2/25/2010	Kansas Campus, LLC	2009		\$1,729,323.11	Real Property Tax

**Exhibit B**

Summary of Pending Properties Tax Assessments

**Exhibit B**

**Pending Properties**

No.	Local Tax Authority (LTA)	LTA's Address	Property Name	Year	LTA's Assessed Value of Property	Estimated Tax	Type of Tax
	Loudoun Virginia, County of	PO Box 7000 (MSC #06), Leesburg, VA 20177	Ashby Ponds	2010	\$87,223,300.00	\$1,085,930.00	Real Property Tax
	Harris County, Texas	P.O. Box 4622, Houston Texas 77210-4622	Eagle's Trace	2010	TBD	TBD	Real Property Tax
	Harris County, Texas	P.O. Box 4622, Houston Texas 77210-4622	Eagle's Trace	2009	\$59,030,107.00	\$1,489,742.80	Real Property Tax
	Harris County, Texas	P.O. Box 4622, Houston Texas 77210-4622	Eagle's Trace	2008	\$9,190,161.00	\$231,932.09	Real Property Tax
	Harris County, Texas	P.O. Box 4622, Houston Texas 77210-4622	Eagle's Trace	2007	\$6,906,618.00	\$174,648.75	Real Property Tax
	City of Novi, Michigan	PO Box 674258, Detroit, MI 48267-4258	Fox Run	2009	\$113,557,200.00	\$2,767,451.00	Real Property Tax
	City of Novi, Michigan	PO Box 674258, Detroit, MI 48267-4258	Fox Run	2010	\$104,038,700.00	\$2,535,480.00	Real Property Tax
	Collin County, Texas	2300 Bloomdale Rd., Ste. 2324, PO Box 8064, McKinney, TX 75070-8046	Highland Springs	2010	TBD	TBD	Real Property Tax
	Collin County, Texas	2300 Bloomdale Rd., Ste. 2324, PO Box 8064, McKinney, TX 75070-8046	Highland Springs	2009	\$58,892,969.00	\$975,974.00	Real Property Tax
	Dallas County, Texas	500 Elm St., Dallas, Texas 75202-3304	Highland Springs	2010	TBD	TBD	Real Property Tax
	Dallas County, Texas	500 Elm St., Dallas, Texas 75202-3304	Highland Springs	2009	\$58,892,969.00	\$440,460.52	Real Property Tax
	Overland Park Kansas, City of	8500 Santa Fe Dr., Overland Park, KS 66221	Tallgrass Creek	2010	\$32,643,120.00	\$438,809.00	Real Property Tax
	Douglas County, Colorado	PO Box 1208, 100 Third St., Castle Rock, CO 80104	Wind Crest	2011	TBD	TBD	Real Property Tax
	Douglas County, Colorado	PO Box 1208, 100 Third St., Castle Rock, CO 80104	Wind Crest	2010	\$86,225,865.00	\$748,793.00	Real Property Tax