

Law Offices of
Smith, Hemmesch, Burke, Brannigan & Guerin

10 SOUTH LASALLE STREET • SUITE 2660 • CHICAGO, ILLINOIS 60603
(312) 939-0100 • FAX (312) 939-7765
www.shbb-law.com

WILLIAM L. SMITH, JR.
DONALD F. HEMMESCH, JR.
KEVIN P. BURKE
THOMAS E. BRANNIGAN
ROGER J. GUERIN
CHRISTOPHER B. KACZYNSKI
JOHN ADAM POWERS
DANIEL J. HEYWOOD

May 28, 2010

Sent via Certified Mail

Mr. Peter Kopke
Chief Clerk
Michigan Tax Tribunal
P.O. Box 30232
Lansing, Michigan 48909

Dear Mr. Kopke:

Please be advised that we are the authorized agent for Novi Campus LLC and Redwood-ERC Novi, LLC with regard to the enclosed 2010 tax appeal to the Michigan Tax Tribunal. In addition to our enclosed petition, we have also enclosed a check in the amount of \$250 for the filing fee. Please let us know if you have any questions regarding this petition or if you need any additional information to process it.

Very truly yours,


Kevin Burke

Enclosures

2010 JUN 11 P 2:44
CITY OF NOVI
CITY CLERK'S OFFICE

Michigan Tax Tribunal Entire Tribunal Case Information Sheet			
1. Petitioner, Address and Phone No. Novi Campus LLC / Redwood ERC Novi, LLC C/O Ronae A. Johnson 701 Maiden Choice Lane Baltimore, MD 21228 (410) 402-2407		2. Respondent, Address and Phone No. City of Novi, Assessing Department 45175 West Ten Mile Road Novi, MI 48375 (248) 347-0485	
3. Agent name, address and phone Smith, Hemmesch, Burke, Brannigan & Guerin C/O Kevin Burke 10 S. LaSalle, Suite 2660 Chicago, IL 60603 (312) 939-0100		4. Agent Name and address, if known	
5. Filing Fee Paid: \$ 250.00		6. Is a proof of service attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Column below for Property Tax appeal only		Column below for Non-Property Tax appeal only	
A. Amount of State Equalized Value in Contention: * \$ <u>\$33,737,850</u> * For parcel with highest SEV in contention		A. Amount in Contention: Tax: \$ _____ Penalty: \$ _____ Interest: \$ _____	
B. Issue (designate one): <input checked="" type="checkbox"/> Valuation <input type="checkbox"/> Special Assessment <input type="checkbox"/> Equalization C. Reason for appeal: <input checked="" type="checkbox"/> True cash value (TCV) & taxable value (TV) <input type="checkbox"/> TV only <input type="checkbox"/> Uncapping: Tax Year(s) at issue: _____ <input type="checkbox"/> Tax Bill: Tax Year(s) at issue: _____ <input type="checkbox"/> STC Order: Tax Year(s) at issue: _____ <input type="checkbox"/> Other (please state): _____ D. Type of Property: <input checked="" type="checkbox"/> Real <input type="checkbox"/> Personal E. Classification of Property: <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Developmental <input type="checkbox"/> Utility <input type="checkbox"/> Residential <input type="checkbox"/> Agricultural <input type="checkbox"/> Timber <input type="checkbox"/> Cutover		B. Tax Type (designate one): Aircraft Fuel Privilege Airport Parking Tax Estate Tax Individual Income Motor Carrier Motor Fuel Sales, Use, Withholding Severance Tax Single Business Stadia or Convention Facility Financing State Convention Facility Dev State Real Estate Transfer Tax Tobacco Products Other (please state):	
E. Tax Year(s) 2010	F. Parcel ID No. (for parcel listed in "A" above) 50-22-01-300-013	C. Assessment No(s). (attach an additional sheet, if necessary) AV: \$56,778,600 SEV: \$56,778,600 TV: \$55,921,950	D. Date of Issuance February 2010
G. Are you appealing more than one parcel? If yes, how many? <input type="checkbox"/> No _____			

COOK 34349
DU PAGE 12970

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL

Novi Campus LLC/ Redwood-ERC Novi, LLC,
Petitioners

v.

MTT Docket No. _____

City of Novi,
Respondent.

PROOF OF SERVICE

Kevin Burke, being duly sworn, deposes and says that on May 28, 2010, he served a copy of the Petition relative to the above-captioned matter upon:

Glenn Lemmon,
Assessor, City of Novi
45175 West 10 Mile Road
Novi, MI 48375

✓ Maryanne Cornelius
City Clerk, City of Novi
45175 West 10 Mile Road
Novi, MI 48375

John Juntunen
Novi Township Supervisor
P.O. Box 924,
Northville, MI 48165

Bobbie Murphy
Secretary, Novi Community School District
25345 Taft Road
Novi, MI 48374

David Hieber
Equalization Director, Oakland County
250 Elizabeth Lake Road, Suite 1000W
Pontiac, MI 48341

Ruth Johnson
Oakland County Clerk
1200 North Telegraph, Building 12 East
Pontiac, MI 48341

SMITH, HEMMESCH,
BURKE, BRANNIGAN
& GUERIN
10 SOUTH LASALLE ST.
SUITE 2660
CHICAGO, ILL. 60603
PHONE (312) 939-0100

COOK 34349
DU PAGE 12970

Robert J. Kliene
State Treasurer
Department of Treasury
Treasury Building
430 West Allegan
Lansing, MI 48922

via certified mail, return receipt requested, with proper postage affixed thereto.



Kevin Burke
Authorized Agent

SMITH, HEMMESCH, BURKE, BRANNIGAN & GUERIN
10 S. LaSalle Street
Suite 2660
Chicago, Illinois 60603
(312) 939-0100

SMITH, HEMMESCH,
BURKE, BRANNIGAN
& GUERIN
10 SOUTH LASALLE ST.
SUITE 2660
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Novi Campus, LLC/Redwood-ERC Novi, LLC,
Petitioners

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MTT Docket No. _____

City of Novi,
Respondent.

PETITION

Petitioners, Novi Campus, LLC and Redwood-ERC Novi, LLC, through their attorneys, Smith, Hemmesch, Burke, Brannigan and Guerin, petitions this Tribunal as follows:

1. The subject real property is Fox Run Village (hereinafter "Fox Run") located at 41100 Thirteen Mile Road, Novi, Michigan 48377.
2. Fox Run is a Continuing Care Facility which currently consists of 758 Independent Living Units, 44 Assisted Living Units, and 88 Skilled Nursing Units, for a total of 890 units on over 100 acres of land.
3. The subject property is further identified by property identification number 50-22-01-300-013, and the property is classified as commercial business improved, real property. Fox Run is presently used for a multi-unit retirement continuing care facility. Petitioner's Property was originally designed for this use; however, the original plans for Fox Run called for construction of over 1,500 units and 18 buildings.
4. Due to the current economic recession and the much documented "housing crisis" facing our nation, Fox Run's development, and the current value of the subject property has been drastically and negatively impacted by these events.
5. This is further evidenced by the 2009 Chapter 11 bankruptcy filing of Erickson Retirement Communities, LLC, which is a partner member, of Novi Campus LLC the prior owner of the subject property.
6. Novi Campus LLC is a part of the ongoing bankruptcy proceeding with Erickson Retirement Communities and on December 12, 2009 the subject property was sold through bankruptcy to Redwood Capital, LLC for \$36,563,000.

SMITH, HEMMESCH,
BURKE, BRANNIGAN
& GUERIN
10 SOUTH LASALLE ST.
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7. On April 9, 2010, the United States Bankruptcy Court for the Northern District of Texas Dallas Division entered the attached order approving the valuation allocation for Redwood's consideration of the Erickson Retirement Communities' assets.
8. Accordingly, the Petitioner, Novi Campus, LLC and Redwood -ERC Novi, LLC, 701 Maiden Choice Lane, Baltimore, Maryland 21228, has filed this appeal concerning the 2010 assessment of the Fox Run subject property.
9. Respondent, City of Novi, levies and collects the property taxes on the subject property.
10. The subject property is located in Oakland County and the school district of Novi Public and Novi Intermediate.
11. This matter involves issues relating to: valuation, assessment, and taxable value.
12. For tax year 2010, Respondent determined an assessed value of \$52,019,350, a state equalized value of \$52,019,350 and a taxable value of \$52,019,350.
13. This matter involves a direct appeal to the Michigan Tax Tribunal.
14. As stated above, based upon current market conditions and unique aspects of the Fox Run property, the assessment does not reflect the true cash value of the subject property.
15. In support of the Petitioners request for relief they have included an appraisal report of the Fox Run Village prepared by James O. Hamilton & Company Inc. Mr. Hamilton's market value of the fee simple interest in the real estate component only of Fox Run Village, as of December 31, 2008 was \$43,700,000.
16. The market has only continued to wane and deteriorate since Mr. Hamilton's appraisal report was prepared. In October of 2009 Novi Campus was made part of the Chapter 11 bankruptcy of Erickson Retirement Communities.
17. The Petitioners contend that the true cash value of the subject property is \$36,563,000, the amount paid for the subject property through a judicially monitored and approved bankruptcy sale. This purchase price of \$36,563,000 would yield a state equalized value of \$18,281,500 and a taxable value of \$18,281,500. The amount in contention is \$33,737,850 in assessed value and \$33,737,850 in taxable value.

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WHEREFORE, Petitioner requests that the Tribunal find that the 2010 True Cash Value of the subject real property is \$36,563,000, reduce the 2010 assessed value and taxable value of the subject real property to \$18,281,500 and order a refund of 2010 taxes with interest as provided by the Tax Tribunal Act.

Dated: May 28, 2010

Novi Campus LLC/Redwood-ERC Novi, LLC,

By: 

Kevin Burke
Authorized Agent

SMITH, HEMMESCH, BURKE, BRANNIGAN & GUERIN
10 S. LaSalle Street
Suite 2660
Chicago, Illinois 60603
(312) 939-0100

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BURKE, BRANNIGAN
& GUERIN
10 SOUTH LASALLE ST.
SUITE 2660
CHICAGO, ILL. 60603
PHONE (312) 939-0100

Case 09-37010-sgj11 Doc 1284 Filed 04/09/10 Entered 04/09/10 17:29:10
Main Document Page 1 of 3



U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
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 9, 2010

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

In re:

ERICKSON RETIREMENT
COMMUNITIES, LLC, *et al.*¹

Debtors.

§
§
§
§
§

CASE NO. 09-37010 (SGJ)

CHAPTER 11
Jointly Administered

ORDER OF THE COURT APPROVING THE VALUATION ALLOCATION FOR
REDWOOD'S CONSIDERATION AS SET FORTH IN DEBTORS' FOURTH AMENDED
JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY
CODE

¹ 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 Court, having heard at the March 23, 2010 hearing on the Motion for Order Determining Appropriate Allocation of Sales Proceeds to be Generated under the Second Amended and Restated Master Purchase and Sale Agreement and to be Distributed under the Debtors Second Amended and Restated Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code Filed by Strategic Ashby Ponds Lender LLC, Strategic Concord Landholder, LP (the "Hearing") the statements of counsel for the of the above-captioned debtors and debtors in possession (the "Debtors") and witnesses regarding the allocation of the consideration (the "Allocation") to be paid by Redwood-ERC Senior Living Holdings, LLC ("Redwood") for the Debtors' assets (the "Assets"), as set forth in Debtors' Fourth Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the "Plan"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (c) venue of these chapter 11 cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409, and (d) notice of the Hearing was sufficient, the Court having determined that the legal and factual bases set forth at the Hearing establish just cause for the relief granted herein and it appearing that the relief granted herein is in the best interest of the Debtors and their estates; the Court finds as follows:

The Debtors on December 22 and 23, 2009 held a competitive auction (the "Auction") which yielded a fair sales price for the Assets sold at the Auction.

The Debtors marketed their assets collectively and on an asset by asset basis.

The Auction process in this case was extensive and fulsome and resulted in a purchase price that is a fair price for the assets and that the amount Redwood bid for the Assets at the Auction is the best indication of the value of the Assets.

Case 09-37010-sgj11 Doc 1284 Filed 04/09/10 Entered 04/09/10 17:29:10 Desc
Main Document Page 3 of 3

The Allocation of the sale proceeds among the various Debtors as proposed by the Debtors and incorporated in the Debtors' Fourth Amended Disclosure Statement and Plan of Reorganization is a fair and reasonable allocation of the value of the Assets sold.

Based upon the foregoing findings and the oral findings made by the Court on March 23, 2009, it is hereby

ORDERED, that the valuation of the Debtors' assets and the allocation of the Redwood Sales Proceeds set forth in the Debtors' Fourth Amended Joint Plan of Reorganization be and is approved and adopted for all matters relating to the confirmation of the Debtors' Fourth Amended Joint Plan of Reorganization.

ORDERED, that the Bankruptcy Court shall retain exclusive jurisdiction to resolve any dispute arising from or related to the Order.

End of Order