

Belkys Escobar (Admitted Pro Hac Vice)
Assistant County Attorney
COUNTY OF LOUDOUN, VIRGINIA
One Harrison Street, S.E.
MSC #06
Leesburg, VA 20175-3102
Telephone: (703) 777-0307
Telecopier: (703) 771-5025

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS**
(Dallas Division)

IN RE:

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

Debtors

**Chapter 11
Case No. 09-37010-SGJ**
(Jointly Administered)

**LOUDOUN COUNTY'S JOINDER TO DOUGLAS COUNTY'S MOTION TO
BIFURCATE DEBTORS' MOTION FOR DETERMINATION OF TAX LIABILITY**

The COUNTY of LOUDOUN, VIRGINIA (the "County"), by counsel, hereby joins the Douglas County's Motion to Bifurcate Debtors' Motion for Determination of Tax Liability (Docket No. 1449 and 1505), and states as follows:

1. The legal issues raised as a result of the Debtors' Motion for Determination of Tax Liability (the "Motion") and the Loudoun County's and other tax authorities' responses to the Motion are: (i) whether this Court has jurisdiction under 11 U.S.C. § 505(a)(2)(A) to adjudicate the portions of tax claims that were adjudicated by state judicial or administrative tribunals of competent jurisdiction; (ii) whether this Court should exercise its discretion to abstain under 28 U.S.C. § 1334(c)(1) or decline jurisdiction under 11 U.S.C. § 505(a)(1); (iii) whether the price obtained in an auction held within a bankruptcy proceeding -§ 363 sale- is dispositive as to the value for ad valorem tax purposes of the assets sold; (iv) whether the price obtained in an auction held on December of 2009 -after January 1, 2009 valuation day- is dispositive of the value of the assets for 2009 tax purposes; and (v) whether this Court has

jurisdiction over the determination of year 2010 tax liability owed to the County of Loudoun and the other tax authorities on assets that are no longer part of the Debtors' bankruptcy estate.

2. Should the Court decides not to abstain, the factual issues to be determined by the Court are the valuation of the Debtors' assets that are taxable by the County of Loudoun, under Virginia law, and the valuation of the Debtors' assets located within the other tax authorities, under their respective applicable tax law.

WHEREFORE, the County of Loudoun prays that this Court enter an order bifurcating the hearing on the Debtors' Motion for Determination of Tax Liability, **with the first part of the bifurcated hearing limited to the legal issues to be heard on June 29, 2010 at 1:30 p.m.;** and the second part of the bifurcated hearing –an evidentiary hearing on the valuation for tax purposes of property of Debtors located within Loudoun County and the other taxing authorities- to be heard in a hearing to be held at a later day to be determined by the Court; and such other and further relief as is just and necessary.

The COUNTY of LOUDOUN, VIRGINIA
By counsel

JOHN R. ROBERTS
COUNTY ATTORNEY

By /s/ Belkys Escobar
Belkys Escobar (VSB #74866)
Assistant County Attorney
One Harrison Street, S.E.
MSC #06
Leesburg, Virginia 20175-3102
Telephone: (703) 777-0307
Telecopier: (703) 771-5025
E-mail: Belkys.Escobar@loudoun.gov

CERTIFICATE OF SERVICE

I certify that on June 16, 2010, a true and correct copy of the foregoing document was filed electronically with the Court using the CM/ECF system, which sent notification to all parties of interest participating in the CM/ECF system in this case.

/s/ Belkys Escobar