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

In re:	§	
	§	
ERICKSON RETIREMENT	§	**Case No. 09-37010 – sg11**
COMMUNITIES, LLC.	§	
	§	
Debtor	§	**JOINTLY ADMINISTERED**

OBJECTION OF DALLAS COUNTY AND HARRIS COUNTY TO DEBTOR'S MOTION OF ASHBURN CAMPUS, LLC, COLUMBUS CAMPUS, LP, CONCORD CAMPUS, LP, DALLAS CAMPUS, LP, HOUSTON CAMPUS, LP, KANSAS CAMPUS, LLC, LITTLETON CAMPUS, LLC, NOVI CAMPUS, LLC, AND WARMINSTER CAMPUS, LP FOR INTERIM AND FINAL ORDERS FOR CASH COLLATERAL

NOW COME, Dallas County and Harris County, and the entities for which they collect (collectively, the "Taxing Authorities"), secured creditors in the above-numbered and styled bankruptcy case, and files this *Objection to Debtor's Motion of Ashburn Campus, LLC, Columbus Campus, LP, Concord Campus, LP, Dallas Campus, LP, Houston Campus, LP, Kansas Campus, LLC, Littleton Campus, LLC, Novi Campus, LLC and Warminster Campus, LP for Interim and Final Orders for Cash Collateral* (the "Objection"), stating as grounds therefore the following:

JURISDICTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §1334, *et seq.* This is a core proceeding under 28 U.S.C. § 157(b)(2)(L).

PRELIMINARY STATEMENT

2. Taxing Authorities are a fully secured ad valorem tax creditor of Debtor and the Estate, holding prior perfected liens against property of the Estate. Taxing Authorities claim are secured pursuant to the Texas Property Tax Code §§ 32.01 and 32.07, et seq.

3. Section 32.01, *et seq.* (a) of the Texas Property Tax Code states, in part:

> "...[(a)] On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property, whether or not the taxes are imposed in the year the lien attaches. The lien exists in favor of each taxing unit having power to tax the property.
>
> "...[(b)] A tax lien on inventory, furniture, equipment and other personal property is a lien in solido and attaches to all inventory, furniture, equipment, and other personal property that the property owner owns on January 1 of the year the lien attaches or that the property owner subsequently acquires.
>
> "...[(c)] The lien under this section is perfected on attachment and...perfection requires no further action by the taxing unit."

4. Section 32.01(a) of the Texas Property Tax Code states, in part, as follows:
> "...[A] delinquent tax incurs a penalty of six percent of the amount of the tax for the first calendar month it is delinquent plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax delinquent on July 1 incurs a total penalty of twelve percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent..."

5. Dallas County has filed a pre-petition proof of claim for tax year 2004 in the amount of $62.93 for *ad valorem* personal property taxes. Harris County has filed a pre-petition proof of claim for tax year 2009 estimated in the amount of $37,378.38 for *ad valorem* personal property taxes.

OBJECTION

6. The Taxing Authority first objects to the relief requested by the Debtors for the reason that this Court should not grant §364 (d) liens which prime the ad valorem tax liens without a proper demonstration in the record of this case that the ad valorem tax liens are in no way harmed and are otherwise adequately protected as required by the provisions of §364 (d). The proponent of a motion seeking a

super priority lien has the burden of proof on that issue. S*ee*: 11 U.S.C. § 364(d)(2).

WHEREFORE, PREMISES CONSIDERED, Dallas County and Harris County respectfully prays that this Court sustain its *Objection to Debtor's Motion of Ashburn Campus, LLC, Columbus Campus, LP, Concord Campus, LP, Dallas Campus, LP, Houston Campus, LP, Kansas Campus, LLC, Littleton Campus, LLC, Novi Campus, LLC and Warminster Campus, LP for Interim and Final Orders for Cash Collateral*, that it accordingly deny confirmation of the proposed plan, and for such other and further relief, at law or in equity, as is just.

Dated: October 28, 2009

Respectfully submitted,

LINEBARGER GOGGAN BLAIR & SAMPSON, LLP

/s/ John P. Dillman
JOHN P. DILLMAN
Texas State Bar No. 05874400
TARA L. GRUNDEMEIER
Texas State Bar No. 24036691
Post Office Box 3064
Houston, Texas 77253-3064
(713) 844-3478 *Telephone*
(713) 844-3503 *Telecopier*

Counsel for Dallas County and Harris County

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

In re:	§	
	§	
ERICKSON RETIREMENT	§	**Case No. 09-37010 – sg11**
COMMUNITIES, LLC.	§	
	§	
Debtor	§	**JOINTLY ADMINISTERED**

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the *Objection to Debtor's Motion of Ashburn Campus, LLC, Columbus Campus, LP, Concord Campus, LP, Dallas Campus, LP, Houston Campus, LP, Kansas Campus, LLC, Littleton Campus, LLC, Novi Campus, LLC and Warminster Campus, LP fo r Interim and Final Orders for Cash Collateral* was served via electronic means, if available, otherwise by United States Mail, first class, postage fully prepaid, on this the 28th day of October, 2009.

US TRUSTEE
Nancy Sue Resnick
1100 Commerce St., Room 976
Dallas, TX 75242-1496

ATTORNEY FOR DEBTOR
Camisha L. Simmons
DLA Piper LLP (US)
1251 Avenue of the Americas
New York, NY 10020-11004

ATTORNEY FOR DEBTOR
Vincent P. Slusher
DLA Piper LLP (US)
1717 Main Street
Suite 4600
Dallas, TX 75201

/s/ Tara L. Grundemeier
Tara L. Grundemeier