ERICKSON RETIREMENT COMMUNITIES, LLC

Consolidated Financial Statements
December 31, 2007 and 2006

McGladrey & Pullen
Certified Public Accountants

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Certified Public Accountants

Independent Auditor's Report

To the Members
Erickson Retirement Communities, LLC

We have audited the accompanying consolidated balance sheets of Erickson Retirement Communities, LLC and its subsidiaries (the "Company"), as of December 31, 2007 and 2006, and the related consolidated statements of income, changes in members' deficit and other comprehensive income and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Erickson Retirement Communities, LLC and its subsidiaries as of December 31, 2007 and 2006, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Baltimore, Maryland
March 18, 2008

McGladrey & Pullen, LLP is a member firm of RSM International,
an affiliation of separate and independent legal entities.

Erickson Retirement Communities, LLC
Consolidated Balance Sheets
December 31, 2007 and 2006

(in thousands of dollars)	2007	2006
Assets		
Current assets		
Cash and cash equivalents	$ 189,598	$ 49,724
Restricted cash and investments	12,876	16,665
Short term investments, available for sale	48,084	54,983
Assets limited as to use	38,589	10,698
Receivable on gain of distribution of subsidiary	67,292	98,162
Bond proceeds receivable	2,205	12,213
Accounts receivable	14,112	10,497
Prepaid expenses and other	8,624	12,947
Total current assets	381,380	265,889
Property, plant and equipment, net	2,051,338	1,893,245
Investment in new sites, net of $5,440 and $2,785 of allowances at December 31, 2007 and 2006, respectively	57,487	20,433
Deferred financing costs, net of $14,494 and $5,632 of accumulated amortization at December 31, 2007 and 2006, respectively	13,363	12,073
Restricted cash and investments, net of current portion	5,916	9,547
Assets limited as to use, net of current portion	2,715	1,765
Notes receivable from communities	157,102	90,855
Note receivable, GSV	-	14,000
Note receivable, RWV	13,449	-
Deferred Growth Participation Plan fund	5,954	4,302
Deferred management fees	500	114
Cash surrender value - officers' life insurance	136	126
Total other assets	2,307,960	2,046,460
Total assets	$ 2,689,340	$ 2,312,349
Liabilities and Members' Deficit		
Current liabilities		
Construction accounts payable and accrued expenses	$ 44,455	$ 68,425
Corporate accounts payable and accrued expenses	5,975	4,677
Accrued payroll and benefits	17,885	15,575
Accrued insurance claims	3,495	2,802
Interest payable	6,175	7,739
Corporate line of credit	1,647	1,900
Land financings	9,724	34,000
Current portion of borrowings under community loans	6,868	6,197
Current portion of special tax district financings	235	-
Current portion of Growth Participation Plan payable	24,799	25,500
Total current liabilities	121,258	166,815
Borrowings under construction lines of credit	345,532	430,055
Corporate revolver	236,500	-
Land financings, net of $934 and $1,260 of unamortized interest at December 31, 2007 and 2006, respectively	3,466	3,140
Special tax district financings, net of current portion	44,715	44,950
Borrowings under community loans, net of current portion	1,238,648	1,336,463
Purchase deposits	562,000	205,000
Real estate financing obligations / mezzanine loans	202,000	198,700
Loan payable	25,000	25,000
Subordinated debt	47,845	112,510
Accrued interest rate swap liability	3,228	-
Growth Participation Plan payable, net of current portion	33,932	56,900
Total liabilities	2,864,124	2,579,533
Members' deficit	(174,784)	(267,184)
Total liabilities and members' deficit	$ 2,689,340	$ 2,312,349

The accompanying notes are an integral part of these consolidated financial statements.

Erickson Retirement Communities, LLC
Consolidated Statements of Income
Years Ended December 31, 2007 and 2006

(in thousands of dollars)	2007	2006
Operating revenues and gains		
Facility rent	$ 104,070	$ 106,361
Interest expense on community loans	(88,766)	(93,634)
Net facility rent	15,304	12,727
Gain on distribution of subsidiaries	238,270	109,699
Management fees	22,475	19,244
Total operating revenues and gains	276,049	141,670
Expenses		
Landowner selling, general and administrative	29,571	26,028
Corporate selling, general and administrative	12,215	14,241
Growth Participation Plan	13,363	14,360
Depreciation and amortization	63,535	49,317
Total expenses	118,684	103,946
Operating income	157,365	37,724
Other revenue (expense)		
Interest income	17,802	11,962
Interest expense	(76,515)	(49,324)
Other expense	(7,374)	(160)
Total other expense	(66,087)	(37,522)
Net income	$ 91,278	$ 202

The accompanying notes are an integral part of these consolidated financial statements.

Erickson Retirement Communities, LLC

Consolidated Statements of Changes in Members' Deficit and Other Comprehensive Income

Years Ended December 31, 2007 and 2006

(in thousands of dollars)

	Common Member				
	Additional Paid In Capital	Accumulated Earnings (Deficit)	Unrealized (Loss) / Gain on Investments	Class B Members	Total Members' Equity (Deficit)
Balance, January 1, 2006.	$ 338	$ (267,473)	$ (484)	$ 25,897	$ (241,722)
Net income	-	202	-	-	202
Unrealized gain on investments	-	-	233	-	233
Comprehensive income	-	-	-	-	435
Redemption of Class B members' shares	-	-	-	(25,897)	(25,897)
Balance, January 1, 2007	338	(267,271)	(251)	-	(267,184)
Net income	-	91,278	-	-	91,278
Unrealized gain on investments	-	-	405	-	405
Comprehensive income	-	-	-	-	91,683
Contributions from members	1,367	-	-	-	1,367
Distributions to members	(650)	-	-	-	(650)
Balance, December 31, 2007	$ 1,055	$ (175,993)	$ 154	$ -	$ (174,784)

The accompanying notes are an integral part of these consolidated financial statements.

Erickson Retirement Communities, LLC
Consolidated Statements of Cash Flows
Years Ended December 31, 2007 and 2006

(in thousands of dollars)	2007	2006
Cash flows from operating activities		
Net income	$ 91,278	$ 202
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	63,535	49,316
Gain on distribution of subsidiaries	(238,270)	(109,699)
Growth Participation Plan expense	13,363	14,360
Unrealized loss on interest rate swap	3,228	-
Decrease in bond proceeds receivable	10,008	-
(Increase) in accounts receivable	(4,404)	(3,512)
Decrease (increase) in prepaid expenses and other	4,323	(1,072)
(Increase) in deferred Growth Participation Plan fund	(1,652)	(3,614)
Decrease in deferred compensation fund	-	159
(Increase) in deferred management fees	(386)	(114)
Increase (decrease) in corporate accounts payable and accrued expenses	1,298	(3,412)
Increase in accrued payroll and benefits	2,310	6,365
Increase in accrued insurance claims	693	1,427
(Decrease) increase in interest payable	(1,564)	1,848
Distribution of Growth Participation Plan liability	(37,032)	(28,227)
(Decrease) in deferred Growth Participation Plan liability	-	(688)
(Decrease) in deferred compensation liability	-	(159)
Net cash used in operating activities	(93,272)	(76,820)
Cash flows from investing activities		
Decrease restricted cash and investments	7,420	34,460
Purchase of investments available for sale, net	7,304	(2,302)
(Increase) in assets limited as to use	(28,841)	(3,917)
Decrease in receivable on the sale of assets	30,870	-
Proceeds from sale of assets	7,976	-
Purchases of property, plant and equipment	(506,346)	(603,847)
Investment in new sites	(50,210)	(27,185)
(Increase) in notes receivable	(52,247)	(34,035)
(Increase) in cash surrender value - officers' life insurance	(10)	-
(Decrease) increase in construction accounts payable and accrued expenses	(23,971)	19,563
Net cash used in investing activities	(608,055)	(617,263)
Cash flows from financing activities		
Payment of deferred financing costs	(12,991)	(4,072)
Proceeds from corporate line of credit	236,500	-
Repayments under corporate line of credit	(253)	(253)
Proceeds from borrowings under construction lines of credit and land financings, net	462,785	418,995
Repayments of borrowings under construction lines of credit and land financings, net	(571,258)	(217,380)
Proceeds of borrowings under community loans	362,124	414,108
Repayments of borrowings under community loans	(7,708)	(6,649)
Proceeds from special tax district financing	-	17,737
Proceeds from borrowings under purchase deposits	432,000	-
Proceeds from real estate financing obligations / mezzanine loans	75,000	25,116
Repayments from real estate financing obligations / mezzanine loans	(71,700)	-
Proceeds of subordinated debt	47,845	-
Repayment of subordinated debt	(112,510)	-
Contributions from members	1,367	-
Net cash provided by financing activities	841,201	647,602
Increase (decrease) in cash and cash equivalents	139,874	(46,481)
Cash and cash equivalents, beginning of year	49,724	96,205
Cash and cash equivalents, end of year	$ 189,598	$ 49,724

Supplemental disclosure of cash flow information and non-cash financing activities:		
Interest paid, net of amounts capitalized	$ 128,282	$ 144,441
Accounts Receivable	$ 139	$ -
Bond proceeds receivable	$ -	$ (12,213)
Receivable on contract revenue	$ -	$ (98,162)
Note Receivable from RWV	$ (13,449)	$ -
Redemption of Class B membership equity interests	$ -	$ 25,897
Purchases of property, plant and equipment	$ 309,575	$ 454,924
Repayments of borrowings under community loans	$ (451,560)	$ (384,292)
Repayments of borrowings under purchase deposits	$ (75,000)	$ (110,000)
Distributions to members	$ 650	$ -

The accompanying notes are an integral part of these consolidated financial statements.

Erickson Retirement Communities, LLC
Notes to Consolidated Financial Statements (in thousands of dollars)

1. Organization

Erickson Retirement Communities, LLC (the "Company") is a Maryland limited liability company, formed to develop and manage large scale continuing care retirement communities.

Landowners are single purpose entities and subsidiaries of the Company. The Landowners are formed to purchase and develop large scale continuing care retirement communities ("CCRCs") throughout the United States. They also lease the CCRCs to unaffiliated non-profit organizations (the "Communities"), whose purpose is to operate the facilities.

Landowners	Communities	Location	Community operations began
Tinton Falls Campus, LLC - (TFC)	Seabrook Village, Inc. - (SBV)	Tinton Falls, NJ	1998
Tinton Falls Campus II, LLC - (TFC II)	Seabrook Village, Inc. - (SBV)	Tinton Falls, NJ	1998
Silver Oaks Campus, LLC - (SOC)	Riderwood Village, Inc. - (RWV)	Silver Spring, MD	2000
Peabody Campus, LLC - (PBC)	Brooksby Village, Inc. - (BBV)	Peabody, MA	2000
Point View Campus, LLC - (PVC)	Cedar Crest Village, Inc. - (CCV)	Pompton Plains, NJ	2001
Point View Campus II, LLC - (PVC II)	Cedar Crest Village, Inc. - (CCV)	Pompton Plains, NJ	2001
Warminster Campus, LP - (WMC)	Ann's Choice, Inc. - (ACH)	Warminster, PA	2003
Novi Campus, LLC - (NC)	Fox Run Village, Inc. - (FRV)	Novi, MI	2003
Hingham Campus, LLC - (HC)	Linden Ponds, Inc. - (LPH)	Hingham, MA	2004
Lincolnshire Campus, LLC - (LNC)	Sedgebrook, Inc. - (SED)	Lincolnshire, IL	2005
Houston Campus, LP - (HOU)	Eagle's Trace, Inc. - (ETH)	Houston, TX	2005
Naperville Campus, LLC - (NAP)	Monarch Landing, Inc. - (MLN)	Naperville, IL	2006
Concord Campus, LP - (CC)	Maris Grove, Inc. - (MGC)	Concord, PA	2006
Dallas Campus, LP - (DAL)	Highland Springs, Inc. - (HSD)	Dallas, TX	2006
Littleton Campus, LLC - (LTN)	Wind Crest, Inc. - (WCD)	Denver, CO	2007
Kansas Campus, LLC - (KC)	Tall Grass Creek, Inc. - (TCK)	Overland Park, KS	2007
Ashburn Campus, LLC - (ASH)	Ashby Ponds, Inc. - (APL)	Ashburn, VA	n/a
Westminster Campus, LLC - (WTC)	Tanglewood Creek, Inc.	Westminster, CO	n/a

Senior Campus Services, LLC ("SCS"), a wholly owned subsidiary of the Company, was formed to operate and manage large scale CCRC's. SCS was formed by and between the Company and SCL Partner, Inc. ("SCL Partner") who subsequently assigned all of its interest to the Company. In addition, SCS assigned all of its rights, title, interest and obligations under the management and marketing agreements to the Company. SCS currently holds the certificate of need related to Greenspring Village, Inc. ("GSV"). SCS is the general partner and a limited partner of Houston Campus, LP ("HOU") and a limited partner of Warminster Campus, LP ("WMC").

Senior Campus Care, LLC ("SCC"), a wholly owned subsidiary of the Company, was formed to establish and operate organized health maintenance and health care delivery systems for the Company's owned and managed CCRCs. SCC provides physician practice management services and medical management services to existing CCRCs and provides comprehensive health care services on a prepaid basis. SCC performs physician practice management services under five management contracts with initial terms of five years that can be renewed annually.

Senior Campus Care, LLC – Virginia Division ("SCCVA"), a wholly owned subsidiary of the Company, was formed to perform physician medical services for the CCRC located in the Commonwealth of Virginia. During 2007, the Company transferred all interest in SCCVA to an unaffiliated party.

Erickson Construction, LLC ("EC"), a wholly owned subsidiary of the Company, was formed to perform construction management and construction services for the new facilities on the campuses being developed by the Company.

Riderwood Seabrook Holdings, LLC ("RSH"), a Maryland limited liability company, was formed by an unaffiliated Delaware limited liability company ("PPF") and the Company, for the assignment of their ownership interests in TFC, SOC and PVC.

Silver Oaks Holdings, LLC ("SOH"), a Maryland limited liability company, was formed to obtain loan financing for the construction of RWV. SOH is a wholly owned subsidiary of the Company.

Warminster Business Park Limited Partnership ("WBP"), a wholly owned subsidiary of the Company, is a Maryland limited partnership, formed to own, develop and sell a certain parcel of land adjacent to ACH, for the purpose of future construction of a business park.

Concord Campus, GP, LLC ("CGP"), a wholly owned subsidiary of the Company, is a Maryland limited liability company, formed to operate and manage large scale CCRCs. CGP is the general partner and a limited partner of CC.

Dallas Campus GP, LLC ("DGP"), a wholly owned subsidiary of ERC, is a Maryland Limited Liability Company formed to operate and manage large scale CCRCs. DGP is the general partner and a limited partner of DAL.

SCL Realty, LLC ("SCL"), a wholly owned subsidiary of the Company, is a Maryland Limited Liability Company formed to own, acquire, lease, develop, operate and manage certain real property.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Member's Assets and Liabilities
In accordance with the generally accepted method of presenting limited liability company financial statements, the consolidated financial statements do not include the assets and liabilities of the member.

Principles of Consolidation
The accompanying consolidated financial statements include the financial position, results of operations and cash flows of the Company and its subsidiaries. Inter-company transactions are eliminated in consolidation.

Cash and Cash Equivalents
Cash and cash equivalents consist of short term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less.

Concentration of Credit Risk
Financial instruments that subject the Company to concentrations of credit risk consist of cash and cash equivalents. The Company maintains its cash and cash equivalents in financial institutions that are federally insured under the Federal Deposit Insurance Corporation ("FDIC"). Total deposits at these institutions at times exceed the FDIC insurance limits and therefore, bear the risk of loss. The Company has not experienced any losses to date.

Restricted Cash and Investments

Restricted cash consists of cash and cash equivalents held to fund Landowner development costs and amounts held to collateralize letters of credit as required by the letter of credit provider.

	2007	2006
Landowner project cash	$ 6,572	$ 13,528
Cash and investments held for letters of credit	12,220	12,684
Total	$ 18,792	$ 26,212

Short Term Investments, Available for Sale

Short-term investments, available for sale, consisted of bonds, notes, and other securities not otherwise classified as trading securities and are recorded at fair value. Unrealized gains and losses on investments available for sale are included as a separate component of members' equity. Realized gains and losses are determined by specific identification method. Declines in the fair value of individual available-for-sale securities below their cost that are other than temporary result in write-downs of the individual securities to their fair value. Factors affecting the determination of whether an other-than-temporary impairment has occurred include a downgrading of a security by a rating agency, a significant deterioration in the financial condition of the issuer, a decline that has existed for an extended period of time, or an intention of management to not hold or inability of management to hold a security for a period of time sufficient to allow for any anticipated recovery in fair value. The carrying amounts and fair values of the Company's short-term investments available for sale as of December 31, 2007 and 2006, respectively, are summarized as follows:

	2007			2006		
	Cash/ temporary investments	Fixed income	Total	Cash/ temporary investments	Fixed income	Total
Cost	$ 3,942	$ 43,988	$ 47,930	$ 12,235	$ 42,999	$ 55,234
Gross unrealized gains	-	358	358	-	30	30
Gross unrealized losses	-	(204)	(204)	-	(281)	(281)
Fair value	$ 3,942	$ 44,142	$ 48,084	$ 12,235	$ 42,748	$ 54,983

Assets Limited as to Use

Assets limited as to use consist of certain Landowner funds (1) to be transferred to the respective non-profit organization (2) used solely to pay down on the respective construction loan (3) held in regulatory escrow (4) reserved for interest on certain special tax bonds that were paid in advance (see note 13). Assets limited as to use as of December 31, are summarized as follows:

	2007	2006
Owed to non-profit	$ 102	$ 43
To pay down line of credit	241	8,883
Funds held in escrow	35,493	-
Prepaid interest	5,468	3,537
Total	$ 41,304	$ 12,463

Receivable / Gain on Distribution of Subsidiaries
Related to the gain on the distributions of the subsidiaries for PVC and TFC, including the transfer of all fixed assets and construction-in-progress (see Note 21), gains are recorded based on Statement of Financial Accounting Standards (SFAS) No. 66, *Accounting for Sales of Real Estate*, using the percentage of completion method. As a result, PVC II recognized a receivable from CCV in the amount of $67,292 and $98,162 as of December 31, 2007 and 2006, respectively. TFC II does not recognize a receivable as costs and related revenues for the project through neighborhood two are complete and construction has not begun on the third and final neighborhood as of December 31, 2007. In conjunction with SFAS No. 66, a margin of safety is used in determining revenues related to the deferred initial entrance deposits for PVC II as of December 31, 2007 and 2006 (see Note 21). Management estimates a margin of safety of 18%, which totaled $17,575 and $33,116 as of December 31, 2007 and 2006, respectively. Changes in job performances, job conditions and estimated profitability may result in revisions to costs and revenues in the next year.

Bond Proceeds Receivable
A portion of the proceeds from the special tax district financings (see Note 13) are withheld from the respective landowners until certain construction activities are complete, at which time these funds will be released. The following is a summary of the bond proceeds receivable as of December 31:

	2007	2006
NAP	$ 578	$ 578
KC	1,627	11,635
Total	$ 2,205	$ 12,213

Property, Plant and Equipment
Property, plant and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the individual items, as shown below:

Buildings	40 years
Land improvements	15 years
Leasehold improvements	7 years
Furniture, fixtures, and equipment	3 to 15 years

Gains or losses on the disposition of property, plant and equipment are reported at the time of the disposition.

Valuation of Long-Lived Assets
The Company accounts for the valuation of long-lived assets under SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets.* SFAS No. 144 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Capitalization of Interest Costs
Interest costs related to qualifying assets are capitalized during the period during which the related assets are constructed and prepared for their intended uses. The capitalization period commences when the interest costs have been incurred, the activities necessary to prepare the asset for its intended use have begun, and expenditures on the asset have been incurred.

Investments in New Sites
Investments in new sites consist of costs incurred in the process of investigating probable sites for acquisition and development, including pre-acquisition and project costs. Investments in new sites are recorded at the estimated net realizable value. Allowances of approximately $5,440 and $2,785 were recorded as of December 31, 2007 and 2006, respectively. Pre-acquisition costs, related to specific real estate development projects, are capitalized where the ultimate acquisition of the property is probable. Pre-acquisition costs are included in project costs upon the acquisition of the property. Project costs, subject to capitalization, include the direct and indirect costs associated with the acquisition, development and construction of specific real estate development projects.

Deferred Financing Costs
Deferred financing costs are primarily related to obtaining lines of credit and issuing debt. These costs are being amortized on a straight-line basis over the terms of the financings. Amortization expense was $11,701 and $2,768 for the years ended December 31, 2007 and 2006, respectively.

Compensated Absences
The Company records a liability for amounts due to employees for future absences that are attributable to services performed in the current and prior periods.

Accrued Insurance Claims
Accrued insurance claims include both employee medical and general liability insurance liabilities. Medical claims incurred but not reported are accrued at the maximum liability as determined by the plan administrator. Accrued amounts are equal to premiums collected from employees less administrative fees paid, additional insurance paid and claims paid. General liability claims incurred, but not reported, represent amounts accrued for the current policy year which were actuarially determined and are expected to be paid during 2008.

Revenue Recognition
Management fees are recognized as revenue in the period in which the services are provided. Resale revenue is recognized in the period in which the residential units are resold and is netted against Landowner selling, general and administrative expense on the consolidated statement of operations. Facility rent is recognized as revenue in the period in which occupancy occurs. Construction revenues are derived solely from contracts for construction and construction management services and are eliminated in consolidation. Revenues on all construction contracts are accounted for under the percentage-of-completion method of accounting.

Income Taxes
The Company is a limited liability company and has elected to be treated as a partnership for federal and state income tax purposes. Generally it is not subject to federal and state income taxes as all items of income, deduction, and credit are allocated among the Company's members in accordance with the terms of the Company's Operating Agreement. Accordingly, income taxes are not provided for in the accompanying consolidated financial statements.

Interest Rate Swap Agreement
The Company has entered into an interest rate swap agreement (the Swap). Such agreements involve the exchange of amounts based on a variable interest rate for amounts based on fixed interest rates over the life of the agreements. The differential to be paid or received as interest rates change is recognized as an adjustment of interest expense related to the debt.

The Swap is stated at fair value. The fair value of the Swap is the estimated amount that the bank or financial institution would receive or pay to terminate the swap agreements at the reporting date, taking into account current interest rates and the current credit worthiness of the swap counter parties. The change in the fair value of the Swap is recorded currently in earnings. The Company does not use derivative financial instruments for speculative trading.

Management Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications
Certain amounts in prior year financial statements have been reclassified to conform to the current year financial statement presentation. These reclassifications had no effect on previously reported income.

3. Property, Plant and Equipment

As of December 31, property, plant and equipment consist of the following:

	2007	2006
Land	$ 233,423	$ 233,524
Land Improvements	34,050	35,709
Buildings	1,482,515	1,253,400
Furniture, fixtures, and equipment	61,502	50,434
Construction in progress	355,200	427,434
	$ 2,166,690	$ 2,000,501
Accumulated depreciation	(115,352)	(107,256)
Property, plant, and equipment, net	$ 2,051,338	$ 1,893,245

Depreciation expense was $51,834 and $46,549 for the years ended December 31, 2007 and 2006, respectively.

4. Notes Receivable from Communities

The Landowners and, in certain cases, the Company have entered into Working Capital Loan Agreements with their respective communities. These agreements provide the Community the ability to borrow from either the Landowner or the Company at an annual rate of prime plus 1% (8.25% and 9.25% as of December 31, 2007 and 2006, respectively). Interest is payable to the Landowner and the Company monthly to the extent that the Community's cash exceeds anticipated expenses. Notes receivable from the communities are summarized as follows:

			2007			2006		
	Maturity date	Maximum borrowings	Principal receivable	Interest receivable	Interest income	Principal receivable	Interest receivable	Interest income
the Company	n/a	$ 9,000	$ 2,757	$ -	$ 40	$ -	$ -	$ -
the Company	n/a	10,000	-	-	-	-	-	-
PBC	7/2012	15,000	6,571	-	109	-	-	-
the Company	12/2009	5,000	3,600	-	78	-	-	-
the Company	6/2008	5,000	-	-	-	-	-	-
NC	2/2010	34,000	27,025	4,766	1,917	17,700	2,850	1,455
WMC	6/2010	15,000	-	-	-	-	-	228
HC	11/2011	25,000	9,787	76	1,168	10,470	1,348	836
LNC	5/2012	15,000	14,917	132	1,605	15,675	1,427	1,097
HOU	9/2012	28,500	20,468	2,622	1,513	13,066	1,109	950
NAP	5/2013	15,000	16,991	1,630	1,213	10,747	417	416
CC	8/2013	34,036	10,727	824	700	4,747	124	124
DAL	11/2013	36,000	14,928	1,284	1,074	10,742	210	210
LTN	3/2014	37,641	11,080	338	335	220	3	3
ASH	11/2013	33,600	272	-	-	-	-	-
KC	10/2014	30,000	6,142	166	166	-	-	-
Total		$ 347,777	$ 145,265	$ 11,838	$ 9,918	$ 83,367	$ 7,488	$ 5,319

In conjunction with the purchase option (see Note 14), the agreements for PBC and WMC were amended to allow borrowings up to $15,000 until the exercise of the purchase option and $5,000 thereafter. The agreements for LNC and NAP were amended to allow borrowings up to $15,000 until the exercise of the purchase option and $10,000 thereafter. The agreement for HC was amended to allow borrowings up to $25,000 until the exercise of the purchase option and $20,000, thereafter.

5. Note Receivable, GSV

As a condition of GSV's exercised purchase option (see Note 14) and distribution of SFC (see Note 21), the Company entered into a long-term non-interest bearing note of $14,000. GSV's repayment obligation was deferred until such time as GSV possessed at least 180 days cash on hand. All payments were collected by the Company as of December 31, 2007.

6. Note Receivable, RWV

As a condition of RWV's exercised purchase option (see Note 14) and distribution of SOC (see Note 21), the Company entered into a long-term non-interest bearing note of $13,449. RWV's repayment obligation is deferred until such time as RWV possesses at least 180 days cash on hand and meets certain debt service ratios. No payments were collected by the Company as of December 31, 2007.

7. Accrued Insurance Claims

Health Benefits
The Erickson Retirement Communities, LLC Medical Plan (the "Plan") is a self-insured health plan. A specific stop/loss reimbursement policy covers the Plan for individual claims totaling more than $200 in the contract year. One aggregate stop/loss reimbursement policy covers the Plan and the plans managed by the Company for overall total claims over $40,967 within the contract year. Highmark provides the excess coverage. Average enrolled members for 2007 and 2006 were 2,303 and 1,840, respectively. Premiums are collected monthly. Claims are paid from the amounts collected in the Company's Health and Dental account. Cash designated for plan use is approximately the same as the amount of accrued insurance claims on the balance sheet. As of December 31, 2007 and 2006, accrued medical costs are $2,176 and $1,595 for health and $72 and $72 for dental, respectively.

Workers Compensation
The Company participates in a high deductible workers' compensation plan along with the communities managed by the Company. Each participant is responsible for 100% of their specific losses within the deductible. The plan has a $250 deductible per occurrence and a plan year aggregate of $6,800. Zurich provides the excess coverage. As of December 31, 2007 and 2006, accrued costs for workers compensation are $1,064 and $951, respectively.

Professional and General Liability
The Company participates in a high deductible professional and general liability plan. To the extent a participant incurs a loss, all participants will share in that loss, subject to the deductible and aggregate limits. The plan has a $500 deductible per occurrence and a plan year aggregate of $1,000. CNA provides the excess coverage. As of December 31, 2007 and 2006, accrued costs for professional and general liability are $183 and $184, respectively.

8. Corporate Lines of Credit / Corporate Revolver

On May 25, 1999, the Company obtained a $3,800 line of credit, maturing on June 1, 2014. Interest is payable monthly at prime plus 0.25% (7.5% and 8.5% as of December 31, 2007 and 2006, respectively). The loan is collateralized by a first indemnity lien on the Company's office building. Interest costs related to this line of credit (none of which were capitalized as part of construction in progress) were $149 and $168 for the years ended December 31, 2007 and 2006, respectively. As of December 31, 2007 and 2006, respectively, there was $1,647 and $1,900 outstanding on the line of credit.

On July 27, 2007 the Company obtained a $250,000 revolving line of credit "Corporate Revolver," whereby the Company, on an offering basis, may request loan advances or letters of credit. The agreement has an absolute maturity date of August 1, 2010. The loan is collateralized by all assets of the Company. Interest is payable quarterly or monthly at variable rates depending upon the option chosen by the Company. The interest rate for outstanding balances shall be at either prime or LIBOR plus a certain percentage as follows:

	Base	
Total Oustanding Loan Balance	**Prime**	**LIBOR**
Less than or equal to $150,000	+1.50%	+3.00%
Greater than $150,000 but less than or equal to $200,000	+1.75%	+3.25%
Greater than $200,000	+2.00%	+3.50%
Interest rate as of December 31, 2007	9.25%	8.50%

Interest costs related to this line of credit (none of which were capitalized as part of construction in progress) were $7,755 for the year ended December 31, 2007. As of December 31, 2007 the Company has made requests for loan advances in the amount of $236,500. This agreement requires the maintenance of certain covenants, including maintenance of liquid assets of at least the greater of (1) $25,000 in excess of the highest liquidity requirement contained in construction loan agreement held by any of the landowners (see Note 9); or (2) $100,000 at all times.

As of December 31, 2007 the Company had an outstanding interest rate swap agreement with the bank, having an original notional principal amount of $125,000 that reduces as debt principal payments are made, with a maturity of August 2010. Under the Swap, the Company pays interest at a fixed rate of 4.75 percent and receives interest at a variable rate equal to terms previously disclosed in this note, based on a notional amount. Both the debt and the Swap require payments be made or received monthly. The variable rate on each reset date determines the variable portion of the interest-rate swap for the following period. As of December 31, 2007, the fair value of the swap agreement is approximately a $3,228 liability.

As part of the initial advance from the Corporate Revolver a $10,000 line of credit obtained in 2000 was repaid and terminated during 2007. Interest on the line of credit was payable monthly at prime plus 1% (9.25% as of December 31, 2006). Interest costs related to this line of credit (none of which were capitalized as part of construction in progress) were $226 and $-0- for the years ended December 31, 2007 and 2006, respectively. This agreement required the maintenance of certain covenants, including maintenance of liquid assets of at least $24,000 per month. However, if any other bank covenant required a higher level of liquidity, the liquidity requirement for this line of credit increased to the higher level.

9. Borrowings under Construction Lines of Credit

Certain Landowners have obtained construction loans (“lines of credit”), all of which have fixed maturity dates. Interest is payable monthly at either prime or LIBOR plus a certain percentage. The construction lender requires the Company to contribute certain equity into each landowner, either from available cash or from another source of subordinated debt. These lines of credit are collateralized by all assets of the individual Landowner, including all lien rights in and to assets of the corresponding Community, except those assets held in regulatory escrow for the benefit of prospective residents. All outstanding borrowings are due upon the expiration of the line of credit. The Company has entered into a Guaranty Agreement with the lender for each line of credit. Under the terms of the agreement, the Company guarantees payment of outstanding loans drawn on the line and related interest. The terms of the Guaranty Agreement restrict the Company’s ability to transfer, lease, sell or otherwise dispose of certain assets.

Erickson Retirement Communities, LLC

Notes to Consolidated Financial Statements (in thousands of dollars)

A summary of the terms of the various lines of credit are as follows:

	Date of loan	Maturity date	at December 31: Interest Rates 2007	2006	Maximum borrowings	Required equity
NC	2/12/2002	2/1/2009	7.5%	8.5%	$ 46,000	$ 40,000
HC	11/26/2003	11/26/2009	n/a	9.0%	85,000	26,000
LNC	5/12/2004	6/1/2011	n/a	8.5%	60,000	22,000
HOU	9/15/2004	10/1/2011	7.5%	8.5%	50,000	18,000
NAP	7/8/2005	7/1/2012	8.0%	9.0%	85,000	45,000
CC	8/30/2005	8/1/2012	7.5%	8.5%	70,000	25,000
DAL	11/30/2005	11/30/2009	8.0%	9.0%	70,000	23,331
LTN	3/29/2006	3/1/2009	8.0%	8.1%	83,000	25,000
KC	4/3/2007	4/1/2014	7.5%	n/a	65,000	15,000
ASH	5/31/2007	5/1/2014	7.5%	n/a	125,000	25,000
Total					$ 739,000	$ 264,331

A summary of interest costs related to these lines of credit, interest costs capitalized as part of construction in progress and amounts outstanding on the lines of credit are as follows as of December 31:

	2007			2006		
	Interest costs	Capitalized interest	Loan Out-standing	Interest costs	Capitalized interest	Loan Out-standing
NC	$ 3,216	$ 2,808	$ 42,008	$ 2,642	$ 2,642	$ 35,302
HC	3,906	3,802	-	5,644	5,644	83,085
LNC	3,209	1,955	-	4,814	3,931	60,000
HOU	4,090	4,055	50,000	3,930	2,603	50,000
NAP	6,179	4,196	-	5,463	4,942	67,703
CC	3,651	3,651	41,920	3,034	2,987	48,992
DAL	4,324	3,141	59,685	3,224	3,038	44,395
LTN	4,954	4,723	60,458	1,548	1,548	40,578
KC	3,271	3,114	56,721	-	-	-
ASH	1,900	1,900	34,740	-	-	-
Total	$ 38,700	$ 33,345	$ 345,532	$ 30,299	$ 27,335	$ 430,055

On July 31, 2007, HC reduced the borrowings under the line of credit to zero and cancelled the line of credit. The total payment was $83,463 and consisted of principal and accrued interest as of that date. Funds for the payment were obtained from a $145,000 deposit from LPH for a purchase option on the property (see Note 14).

On August 17, 2007, LNC reduced the borrowings under the line of credit to zero and cancelled the line of credit. The total payment was $60,024 and consisted of principal and accrued interest as of that date. Funds for the payment were obtained from a $125,000 deposit from SED for a purchase option on the property (see Note 14).

On December 27, 2007, NAP reduced the borrowings under the line of credit to zero and cancelled the line of credit. The total payment was $85,160 and consisted of principal and accrued interest as of that date. Funds for the payment were obtained from a $162,000 deposit from MLN for a purchase option on the property (see Note 14).

The LIBOR interest rate option for HC and DAL is LIBOR plus 2.625% (7.868% and 7.975%) at December 31, 2007 and 2006, respectively.

10. Borrowings under Community Loans and Community Lease Agreements

Community Loans

The Landowner borrows the initial residents' entrance deposits from the respective Community. These amounts are recorded as borrowings under the loan agreement, which are collateralized by the property, including the property, plant, and equipment owned by the Landowner. The loan includes interest payments at a fixed annual rate based on the entrance deposits received. Repayment terms are established when a building reaches 95% occupancy. Repayment terms are typically either thirty year or forty year mortgages.

As of December 31, total borrowings under the community loan agreements consist of the following:

	2007	2006
PBC	$ 299,619	$ 291,110
SOC	-	434,717
NC	137,619	115,852
WMC	208,746	170,160
HC	155,860	136,875
LNC	74,323	58,668
HOU	70,009	40,693
NAP	35,780	20,214
CC	121,348	41,514
DAL	58,728	32,857
LTN	70,506	-
KC	12,978	-
	$ 1,245,516	$ 1,342,660
Current portion of community loans	(6,868)	(6,197)
Borrowings under community loans, net of current portion	$ 1,238,648	$ 1,336,463

The difference between principal maturities and total borrowings under the loan agreement relate to deposits transferred on buildings in which repayment terms have not yet been established.

As noted above, certain subsidiaries of the Company borrow initial residents' entrance deposits. The repayment terms are generally established when the occupancy of a building reaches certain levels. The consolidated principal maturities of loan agreements for buildings which repayment terms have been established are as follows for the year ending December 31, 2007:

2008	$	6,868
2009		7,261
2010		7,677
2011		8,117
2012		8,582
Thereafter through December 31, 2045		601,829
	$	640,334

Lease Agreements

In addition, the Landowner leases land and buildings to the corresponding Community under the Master Lease and Use Agreement (the "Lease"), which typically expires 20 years after the execution of the Lease. The Community shall have the option to renew the Lease for three additional ten-year terms. In the event that the Purchase Option ("Option Two"), if applicable, (see Note 14) is not exercised, the Community shall also have the option to purchase the developed property at its fair value, as defined in the Lease, ("Option One") on a pre-determined date and at the end of each lease term.

The terms of the Lease include rental payments based on initial entrance deposits received from each resident multiplied by an annual fixed rate plus an annual fixed rent for each community building. This interest rate is applicable once a particular residential building has been substantially occupied. Until that time, rental income is based on a slightly less fixed interest rate multiplied by the entrance deposits. For assisted living and skilled nursing units, rent is also set at a fixed rate based on the deposits received. Rents are subject to increases each calendar year, based on a formula defined in the lease agreement, which is directly related to the Consumer Price Index.

Below is a summary of the terms and rates applicable to the lease and loan agreements described above at December 31, 2007:

	Expiration date - Option One	Annual interest rate - Lease initial rate	Annual interest rate - Lease @ 95% occupancy	Annual rent community buildings	Interest rate community loan	Term
PBC	9/16/2019	5.5%	6.7%	190	5.5%	40 years
NC	2/12/2022	6.25%	7.45%	190	6.25%	40 years
WMC	6/3/2022	7.0%	7.5%	190	7.0%	40 years
HC	11/26/2023	5.5%	7.25%	180	5.5%	30 years
LNC	5/12/2024	5.0%	6.9%	180	5.0%	30 years
HOU	9/15/2024	5.5%	7.4%	180	5.5%	30 years
NAP	5/26/2025	4.5%	6.55%	180	4.5%	30 years
CC	8/30/2025	5.1%	7.0%	180	5.1%	30 years
DAL	11/30/2025	5.95%	7.75%	180	5.95%	30 years
LTN	3/29/2026	5.5%	7.4%	180	5.5%	30 years
KC	10/20/2026	4.6%	6.7%	180	4.6%	30 years

The terms of PBC's Lease include fixed rent of $190 for community buildings 1 and 3 and $135 for community building 2.

During 2007, the leases were amended to reflect new interest rates. Below is a summary of the initial terms and rates applicable to the lease and loan agreements at December 31, 2006:

	Annual interest rate - Lease		Interest rate community loan
	initial rate	@ 95% occupancy	
TFC	7.0%	7.5%	7.0%
PBC	6.7%	7.7%	6.7%
SOC	6.7%	7.45%	6.7%
PVC	7.0%	7.5%	7.0%
NC	6.25%	7.1%	6.25%
WMC	7.0%	7.5%	7.0%
HC	5.5%	6.7%	5.5%
LNC	5.5%	6.7%	5.5%
HOU	4.5%	6.0%	4.5%
NAP	4.5%	6.0%	4.5%
CC	4.4%	5.9%	4.4%
DAL	4.6%	6.1%	4.6%
LTN	4.4%	5.9%	4.4%
KC	4.6%	6.7%	4.6%

Rents received under the Leases and interest expense related to the community loans are summarized below for the years ended December 31, 2007 and 2006, respectively.

	2007		**2006**	
	Rental income	Interest expense	Rental income	Interest expense
TFC	$ -	$ -	$ 13,823	$ 12,366
PBC	20,505	16,340	20,772	17,819
SOC	31,374	27,124	29,733	25,954
PVC	-	-	10,848	9,830
NC	8,821	7,958	7,145	6,510
WMC	14,141	12,946	11,350	10,337
HC	10,697	8,408	7,402	6,201
LNC	4,337	3,504	2,747	2,426
HOU	3,415	3,234	1,813	1,628
NAP	1,499	1,319	307	232
CC	5,083	4,151	244	199
DAL	2,598	2,418	177	132
LTN	1,496	1,305	-	-
KC	104	59	-	-
Total	$ 104,070	$ 88,766	$ 106,361	$ 93,634

11. Real Estate Financing Obligations / Mezzanine Loans

Real Estate Financing Obligations

Certain Landowners have entered into individual Real Estate Purchase and Sale Contracts ("Sales") and Ground Lease Agreements ("Ground Lease") with unaffiliated leasing companies to secure additional financing for the projects. Proceeds from these sales were the sales price, less closing costs and a reserve deposit (if applicable) held by the buyer. The reserve deposit is typically withheld by the leasing company as a form of security deposit for the duration of the financing. The Ground Leases call for annual lease (interest) payments, to be paid monthly. Expenses incurred during 2007 and 2006 related to the Ground Leases are summarized below. Payments are typically subject to increases. The terms of these Ground Leases expire on pre-determined dates as disclosed in each agreement. The Landowner shall typically have the option to renew the Ground Lease for two additional five-year terms. The Ground Leases also provide the Landowners with a right of first offer and an option to purchase the land at its original purchase price, plus, in certain agreements, a portion of any unpaid amounts through certain periods as provided in the Ground Lease. Therefore, these transactions have been accounted for as financing transactions by the Landowners.

The real estate financing obligations are summarized as follows as of December 31:

			2007		2006	
	Date of lease	Expiration date	Reserve deposit	Purchase price	Reserve deposit	Purchase price
NC	2/28/2003	2/28/2013	$ 1,275	$ 17,000	$ 1,275	$ 17,000
WMC	6/3/2003	6/2/2013	1,462	19,500	1,462	19,500
HC	11/26/2003	11/26/2013	-	-	1,477	19,700
LNC	7/8/2004	7/8/2014	-	-	2,025	27,000
HOU	11/18/2004	11/18/2014	1,725	23,000	1,725	23,000
NAP	5/26/2005	5/25/2016	n/a	-	n/a	25,000
CC	10/11/2005	10/10/2016	n/a	25,000	n/a	25,000
DAL	4/28/2006	4/27/2017	n/a	17,500	n/a	17,500
LTN	10/11/2006	10/10/2017	n/a	25,000	n/a	25,000
Total			$ 4,462	$ 127,000	$ 7,964	$ 198,700

On October 30, 2006, PBC purchased the land back by exercising its right of first offer, provided in the Ground Lease Agreement. As a result, $17,384 was repaid to the unaffiliated leasing company. The reserve deposit was returned in November 2006.

On July 31, 2007, HC purchased the land back by exercising its right of first offer, provided in the Ground Lease Agreement. As a result, $19,700 plus interest of $501 was repaid to the unaffiliated leasing company. The reserve deposit was returned in July 2007.

On August 17, 2007, LNC purchased the land back by exercising its right of first offer, provided in the Ground Lease Agreement. As a result, $27,000 plus interest of $3,848 was repaid to the unaffiliated leasing company. The reserve deposit was returned in August 2007.

On December 27, 2007, NAP purchased the land back by exercising its right of first offer, provided in the Ground Lease Agreement. As a result, $25,000 plus interest of $4,280 was repaid to the unaffiliated leasing company.

Interest rates and annual costs related to the real estate financing obligations and lease (interest) expense is summarized below for the years ended December 31:

	Interest rate	Annual payment	2007	2006
PBC	15.0%	$ 2,607	$ -	$ 2,173
NC	15.0%	2,560	2,560	2,560
WMC	15.0%	2,925	2,925	2,925
HC	15.0%	2,955	1,724	2,955
LNC	15.0%	4,050	2,700	4,050
HOU	15.0%	3,450	3,450	3,450
NAP	14.5%	3,625	3,337	3,625
CC	14.0%	3,500	3,500	3,500
DAL	14.45%	2,529	2,449	1,659
LTN	13.95%	3,488	3,488	783
Total		$ 31,689	$ 26,133	$ 27,680

In addition to the expenses incurred above on the real estate financing obligation, WMC accounts for the lease expense using Statement of Financial Accounting Standards (SFAS) No. 13, *Accounting for Leases*, applying the straight-line method for recognizing annual expenses. Accrued interest expense under SFAS No. 13 was $488 and $-0- for the years ended December 31, 2007 and 2006.

The future annual payments based on the Ground Lease Agreements, are as follows for the years ending December 31:

2008	$ 19,003
2009	19,578
2010	19,762
2011	19,953
2012	20,149
Thereafter through December 31, 2017	50,345
	$ 148,790

Mezzanine Loans

Certain Landowners have entered into Mezzanine Loan Agreements ("loans") with unaffiliated companies to secure additional financing for the projects. The loans call for monthly interest payments to be made, payable in arrears, at an annual interest rate of 14%. The loans are collateralized by the real property owned by landowners. Each loan requires the respective landowner to pay a make-whole amount with respect to any prepayments of the principal balance made prior to the make-whole deadline. After the expiration of the make-whole period, the repayment price is the outstanding principal amount of the loan and becomes due and payable upon demand. The mezzanine loans are summarized as follows as of December 31:

				2007		2006	
	Date of loan	Maturity date	Make-whole expiration	Loan balance	Interest expense	Loan balance	Interest expense
KC	4/3/2007	4/1/2019	4/3/2011	$ 25,000	$ 2,618	$ -	$ -
ASH	5/31/2007	5/31/2019	6/7/2011	50,000	3,989	-	-
Total				$ 75,000	$ 6,607	$ -	$ -

12. Land financings

Certain Landowners have obtained loans for the purpose of financing the purchase of certain real property. Each loan is collateralized by the real property owned by the landowner and is secured by a Deed of Trust. The Company has entered into a Guaranty Agreement with the lender for each loan. Under the terms of the agreements, the Company guarantees payment of any outstanding principal and related interest. The terms of the guaranty agreements restrict the Company's ability to transfer, lease, sell or otherwise dispose of certain assets. A summary of the terms of the various land financings is as follows:

	Date of loan	Maturity date	at December 31: Interest Rates 2007	2006
LTN	12/20/2004	1/1/2007	n/a	n/a
KC	4/28/2006	4/3/2007	n/a	8.5%
ASH	12/19/2006	12/31/2007	n/a	8.5%
WTC	1/11/2007	12/31/2008	7.43%	n/a

LTN's interest is payable monthly in arrears at LIBOR plus 3.25%. The loan was repaid in full on March 29, 2006 in connection with the constriction line of credit (see note 9).

KC and ASH's interest is payable monthly in arrears at PRIME plus 0.25%. KC and ASH's loans were repaid in full on April 3, 2007 and May 31, 2007, respectively, in connection with the constriction line of credit (see note 9). WTC's interest is payable monthly in arrears at LIBOR plus 2.4 %.

A summary of interest costs related to these land financings, interest costs capitalized as part of construction in progress and amounts outstanding on the loans are as follows as of December 31:

	2007			**2006**		
	Interest costs	Capitalized interest	Loan Out-standing	Interest costs	Capitalized interest	Loan Out-standing
LTN	$ -	$ -	$ -	$ 154	$ 154	$ -
KC	439	439	-	1,148	1,148	20,000
ASH	718	718	-	31	-	14,000
WTC	736	-	9,724	-	-	-
Total	$ 1,893	$ 1,157	$ 9,724	$ 1,333	$ 1,302	$ 34,000

On May 25, 2005, DAL obtained a note payable of $4,400 for financing a portion of the purchase of certain land. The note matures May 25, 2010 and may be repaid at any time with no penalty. The note is discounted and will be amortized over the life of the financing. The note payable is calculated and discounted using a principal face value on May 25, 2005 of $2,685. Interest is imputed and accrued at a rate of 10% per annum, compounded quarterly, beginning May 25, 2005. The total interest to be amortized over the life of the note is $1,715.

Interest costs related to this note were $326 and $295 for the years ended December 31, 2007 and 2006, respectively, all of which were capitalized as part of construction in progress. Notes payable, net of amounts representing unamortized interest were as follows for the years ended December 31:

	2007	2006
Face value of note	$ 4,400	$ 4,400
Less unamortized interest	(934)	(1,260)
Note payable, net	$ 3,466	$ 3,140

13. Special Tax District Financings

Certain landowners have received special tax district bond financings. The bonds were issued, in all circumstances, to provide funds to finance certain infrastructure improvements related to the specific projects.

LNC
In October 2004, the Village of Lincolnshire authorized the issuance of $15,000 of Village of Lincolnshire, Illinois, Special Service Area Number 1, Special Tax Bonds, Series 2004 on behalf of the Lincolnshire Campus project. Principal payments are due beginning March 1, 2008. Interest on the Series 2004 Bonds is scheduled to be paid on March 1 and September 1, commencing March 1, 2005. The Series 2004 Bonds consist of $1,020 of bonds bearing an interest rate of 5%, due on March 1, 2011. The remaining bonds of $13,980 bear an interest rate of 6.25%, due March 1, 2034.

NAP
In June 2006, the County of DuPage authorized the issuance of $15,000 of The County of DuPage, Illinois, Special Service Area Number 31, Special Tax Bonds, Series 2006 on behalf of the Naperville Campus project. Principal payments are due beginning March 1, 2009. Interest on the Series 2006 Bonds is scheduled to be paid on March 1 and September 1, commencing September 1, 2006. The Series 2006 Bonds consist of $2,330 of bonds bearing an interest rate of 5.40%, due on March 1, 2016. The remaining bonds of $12,670 bear an interest rate of 5.625%, due March 1, 2036.

KC
In December 2006, the City of Overland Park authorized the issuance of $14,950 of The City of Overland Park, Kansas, Special Assessment Bonds, Series 2006 on behalf of the Kansas Campus project. Principal payments are due beginning March 1, 2010. Interest on the Series 2006 Bonds is scheduled to be paid on March 1 and September 1, commencing March 1, 2007. The Series 2006 Bonds consist of $3,975 of bonds bearing an interest rate of 4.85%, due on September 1, 2016. The remaining bonds of $10,975 bear an interest rate of 5.125%, due September 1, 2028.

	2007			2006		
	Interest costs	Capitalized interest	Bonds Out-standing	Interest costs	Capitalized interest	Bonds Out-standing
LNC	$ 925	$ 372	$ 15,000	$ 925	$ -	$ 15,000
NAP	848	-	15,000	447	-	15,000
KC	795	657	14,950	-	-	14,950
Total	$ 2,568	$ 1,029	$ 44,950	$ 1,372	$ -	$ 44,950

The principal payments on the special tax district financings are as follows for the years ending December 31:

2008	$ 235
2009	495
2010	1,005
2011	1,060
2012	1,110
Thereafter through December 31, 2036	41,045
Total principal payments	$ 44,950

14. Purchase Deposits

Certain Landowners, as listed below, have entered into purchase option agreements with their corresponding Communities. The agreements provide the Community with the option to purchase either the Landowner directly or the land and buildings ("the Campus") owned by the Landowner. Each Community places a non-interest bearing deposit with the Landowner. In exchange, the Community has been granted an option ("Option Two") to purchase the Campus at a cost of the deposit plus the balance of the existing community loan as of the date of the prospective purchase. The option may be exercised upon the earlier of either the completion of the facility or a fixed date, as determined in the purchase option agreement.

The Company has entered into a Purchase Deposit Refund Guaranty Agreement (the "Agreement") with the Communities. This Agreement unconditionally guarantees to each Community the full and prompt payment of the purchase deposit and any reasonable costs incurred by the Community in the unlikely event that the purchase option is not exercised and the Landowner must refund the purchase deposit. The maximum future reasonable costs that would be associated with such an event cannot be estimated because there have been no such defaulted obligations. The purchase deposits are summarized as follows as of December 31:

	Option Two			
	Date of Execution	Fixed date of excerise	**2007**	**2006**
SOC	6/1/2001	7/1/2008	$ -	$ 75,000
PBC	9/1/2002	7/1/2010	55,000	55,000
WMC	12/1/2005	5/1/2011	75,000	75,000
HC	7/1/2007	5/1/2012	145,000	-
LNC	8/17/2007	5/1/2014	125,000	-
NAP	12/27/2007	6/1/2016	162,000	
Total purchase deposits			$ 562,000	$ 205,000

15. Loan Payable

PVC

Prior to 2005, the Company, PVC, RSH and PPF executed a Purchase Agreement, which resulted in the transfer of a 100% membership interest in PVC to RSH. On that date, an amended Operating Agreement (the "Operating Agreement") was executed between PPF and the Company. As a result, the Company contributed $16,000 in equity and all membership interest in PVC to RSH. PPF provided a $25,000 cash contribution interest to RSH. The contributions from the Company and PPF to RSH were immediately contributed by RSH to PVC. Interest was payable to RSH by PVC (on the $25,000 contribution from PPF) at an annual rate of 15%, payable monthly in arrears.

During 2005 there were two amendments to the Operating Agreement between PPF and the Company. On October 11, 2005, the interest rate on the $25,000 contribution was amended to 15.25%, per annum, payable monthly in arrears. An additional amendment was executed on December 31, 2005 establishing a maturity date of December 31, 2019 for the repayment of PPF's contribution of $25,000 to RSH, relating to PVC.

On November 1, 2006, in connection with the sale and distribution of PVC's assets (see note 21), PPF's and the Company's contributions of $25,000 and $16,000, respectively, relating to PVC were returned. As a result, RSH was terminated.

PVC II

On November 1, 2006, PVC II obtained a loan maturing November 1, 2011. Proceeds of the loan were $25,000. Terms of the loan include interest at 15.25%, payable monthly in arrears. Interest costs related to the loan were $3,813 for the year ended December 31, 2007. Interest costs related to the loan were $637 for the period November 1, 2006 through December 31, 2006. The loan is collateralized by all future cash flows owed to PVC II by CCV resulting from the purchase agreement (see Note 21).

16. Subordinated Debt

Prior to 2005, the Company issued $46,800 of subordinated debt ("sub-debt") through a private placement. The sub-debt matures on March 15, 2013, with an interest rate of 10%. The Company redeemed $1,140 of outstanding securities. Semiannual interest payments are due on March 14th and September 15th. The sub-debt requires the maintenance of certain covenants, including maintenance of liquid assets of at least $24,000 or the highest liquidity required by any lender, plus 25% of the outstanding securities. In conjunction with the reset date, the Company issued an additional $66,850 of securities subject to the same terms of the original issue. The liquidity covenant was modified to maintaining liquid assets of $24,000 or the highest liquidity required by any lender plus $15,000. During 2007, as part of the initial advance from the corporate revolver (see Note 8) the remaining outstanding securities of $112,510 were redeemed.

During 2007, the Company issued an additional $47,845 of sub-debt through a private placement. The sub-debt matures on March 15, 2018. The initial interest rate shall be 11%. Semiannual interest payments are due on March 15th and September 15th. The sub-debt requires the maintenance of certain covenants, including maintenance of liquid assets of at least $15,000 plus the highest required liquidity by any lender. The required assets as of December 31, 2007 and 2006 were $115,000 and $69,000 respectively.

17. Defined Contribution and Deferred Compensation Plans

The Company maintains a defined contribution pension plan for employees. Eligible employees may contribute up to 50% of their salary subject to the maximum contribution of $16 in 2007 and $15 in 2006, on a pretax basis. The Company matches the employee's contribution up to a maximum of 5% of the employee's salary. Company contributions to the plan totaled $3,889 and $2,933 during the years ended December 31, 2007 and 2006, respectively.

In 1998, the Company began a deferred compensation plan for key executives. The plan requires the deferred compensation to be paid upon either termination or retirement. Executives have the option of investing the money in various money market accounts. Plan benefits are recorded at the market value of the equity investment. The Company incurred no expenses and made no contributions on behalf of key executives to the plan in 2007 or 2006. The Company fully funded and fully expensed the plan in 1998 and no further benefits have been earned.

18. Corporate Leases

The Company leases office space from various unaffiliated leasing companies. The office space is located at various locations: (1) a portion of a building located at 817 Maiden Choice Lane, Catonsville, Maryland 21128 (2) a building located at 991 Corporate Boulevard, Linthicum, Maryland 21090 (3) a portion of a building (unit 10A) located in the Wilkens Beltway Plaza shopping mall, Catonsville, Maryland 21228 (4) a portion of a building located at 705 Digital Drive, Suites N-Z, Linthicum, Maryland 21090 (5) a portion of the building located at 57 Bedford Street, Suite 210, Lexington, Massachusetts 02420

817 Maiden Choice Lane
The third amended lease, executed March 12, 2004, included ten thousand five hundred five square feet of office space, for a period of approximately 4 years, terminating on September 30, 2008.

991 Corporate Boulevard
The lease, executed December 15, 2004, included forty-one thousand two hundred seventy-one square feet of office space, for a period of five and a half years, terminating on June 30, 2010.

Wilkens Beltway Plaza
The lease, beginning January 1, 2006, includes three thousand three hundred square feet of office space, and is a three year lease terminating on January 31, 2009. The lease contains one option to renew for an additional four years, seven months.

705 Digital Drive
The original lease, beginning March 1, 2008, includes thirty-two thousand one hundred twenty square feet of office space for a period of five years, terminating on February 28, 2013.

57 Bedford Street
The second amended lease, beginning January 7, 2008, includes three thousand one hundred fifty square feet of office space for a period of five years, terminating on January 31, 2013.

The Company's future annual lease payments are as follows for the years ending December 31:

2008	$ 1,507
2009	1,483
2010	1,162
2011	829
2012 and thereafter	987
Total future lease payments	$ 5,968

19. Growth Participation Plan – Participants

On September 1, 1998, the Company established the Growth Participation Plan (the "Plan") to promote the long-term growth and profitability of the Company. The Plan offers long-term performance-based incentives to the general management that contribute to the Company's financial success. The Plan value, subject to administrator modification and approval, is primarily based on a formula that estimates the fair-market value of the Company. The Plan value is based on the aggregate present-value of: consolidated unrestricted cash and marketable securities; pre-development costs of future unsettled projects; development projects in process; existing Community management-fee contracts; and actual unallocated corporate departmental expenses. Changes in the value of the Participants' portion of the Plan are recorded as an expense. As of December 31, 2006, the valuation of each unit ("original participation unit") was One Thousand Two Hundred Two dollars.

Participants fully vested and employees at the time have the right to put up to 10% of their units for redemption during the annual put period. To the extent the participant is over 50 years old or has been employed with the company for 20 years, the participant is required a minimum put of no less than 5% and a maximum put of up to 33 1/3%. Terminated vested Participants have the right to put all of their units for redemption. The Company may elect to fund any redemption over five years with an interest-bearing note. No redemption may be made to a Participant that would cause the Company to violate or default on any outstanding contractual agreement.

On January 1, 2006, the Company established an amended and restated Growth Participation Plan (the "new Plan"). The new plan establishes that no new original participation units will be granted. The new Plan also establishes a pay out for all original participants. The original units will accrue interest at 9% per annum and be paid out over four years. The new Plan also offers long-term performance-based incentives to the general management that contribute to the Company's financial success. The new Plan value, subject to administrator modification and approval, is primarily based on (1) the Company's performance against goals set for the current year, (2) the increase, if any, in the appraised value of the Company, (3) cash available from ongoing operations. Employees participating in the new plan will vest after four years of full time employment. New plan units become payable to the participant on the fourth anniversary from the grant date. For the years ended December 31, 2007 and 2006, the increase in valuation of each unit ("new participation unit") was Seventy dollars and One Hundred dollars, respectively. As of December 31, 2007 and 2006, respectively, approximately 94% and 80% of Participants were fully vested, and, based on the final new Plan value for 2007 and 2006, the Company recorded compensation expense of $13,363 and $14,360, respectively.

20. Common B Members

On March 2, 1999, the Company granted Fifty-Two Thousand Five Hundred Forty shares of Class B Members equity interest to key executives of management. Pursuant to the operating agreement, the Class B Members share values are based on the Company's relative success or failure of the individual development projects and Community operations under the same formula provided in the Plan (see Note 19). Changes in the value of the Members' portion of the Plan are recorded as Common B accretion.

All Class B Members were fully vested at the grant date. To the extent the participant is over 50 years old or has been employed with the Company for 20 years, the participant is required a minimum put of no less than 5% and a maximum put of up to 33 1/3%, otherwise they have the right to put up to 10% of their shares for redemption during an annual put period. Terminated vested Class B Members have the right to put all of their shares for redemption. The Company may elect to fund any redemption over a four-year period with an interest-bearing note. No redemption may be made to a Class B Member that would cause the Company to violate or default any outstanding contractual or debt agreement.

During 2006 all outstanding shares of Class B Members equity interest were redeemed and replaced with loans payable maturing on various dates through January 2013. The loans accrue interest at 9% per annum. The total value of the redeemed shares was $25,897 as of January 1, 2006. The Company reflects any unpaid portions of the redemption of Class B Members in the growth participation plan payable.

21. Gain on Distribution of Subsidiaries

PVC
In October 2006, The Board of Directors of CCV approved a plan to exercise the purchase option offered to CCV by PVC. On November 1, 2006, CCV received PVC for approximately $438,500 of which $189,321 was satisfied by the cancellation of indebtedness owed to CCV under the community mortgage loans and $55,000 by cancellation of the purchase deposit (see Note 14) paid to PVC in December 2001. The remainder of the sales price includes the deferred portion of the initial entrance deposits, estimated to be approximately $98,000 and $184,000 as of December 31, 2007 and 2006, respectively.

The completion of the CCV project will not occur until the year 2008. However, the project is currently 97% complete, and therefore, the gain on the distribution of PVC is limited and is recorded under the percentage of completion method. The net gain realized during 2006 is $56,866, of which $54,785 was recognized by PVC and $2,081 was recognized by PVC II. The net gain realized during 2007 is $5,115, which was recognized entirely by PVC II.

TFC

In November 2006, The Board of Directors of SBV approved a plan to exercise the purchase option offered to SBV by TFC. On December 1, 2006, SBV received TFC for approximately $381,000 of which $194,971 was satisfied by the cancellation of indebtedness owed to SBV under the community mortgage loans and $55,000 by cancellation of the purchase deposit (see Note 14) paid to TFC in July 2000. The remainder of the sales price includes the deferred portion of the initial entrance deposits, estimated to be approximately $159,000 and $136,000 as of December 31, 2007 and 2006, respectively.

The completion of the SBV project will not occur until after 2008. However the project is substantially complete through neighborhood two, therefore, the gain on the distribution of TFC is limited and is recorded under the percentage of completion method, reflecting all gains and losses attributable through neighborhood two. The gain realized during 2007 and 2006 is $ 3,078 and $52,833, respectively.

SOC

In December 2007, The Board of Directors of RWV approved a plan to exercise the purchase option offered to RWV by SOC. On December 31, 2007, RWV received SOC for approximately $540,000 of which $452,000 was satisfied by the cancellation of indebtedness owed to RWV under the community mortgage loans, and cancellation of the $75,000 purchase deposit (see Note 14) paid to SOC in July 2001, and the remainder in a note payable to the Company. The Company recorded a gain of $230,294 on this transaction. Of the gain, $202,067 was recorded by SOC representing the excess of the sales price over the net assets of SOC on the date of distribution. The remainder was recorded by the Company representing a long term note receivable, assumption of working capital loan from RWV (see Note 6), and realization of construction income.

Other

During 2007, The Company recorded a loss on distribution of subsidiaries totaling $217 as a result of the transfer of its interest in SCCVA to an unaffiliated party (see Note 1).

22. Fair Value of Financial Investments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Restricted Cash and Assets Limited as to Use

Carrying amounts approximate fair value due to the short-term maturity of these instruments.

Short-Term Investments, Available for Sale

The fair value of these securities (see Note 2) was determined using market quotations.

Borrowings under the Corporate Line of Credit, the Construction Lines of Credit and Land Financings

Carrying amounts for the corporate line of credit (see Note 8) the construction lines of credit (see Note 9) and the land financings (see Note 12) approximate fair values since the interest rates are adjusted to reflect the change in the prime or LIBOR rate.

Borrowings under Community Loan Agreements Due to the Communities

For amounts in which repayment terms have not been established, carrying amounts represent fair value since the borrowings do not have a defined maturity date. For amounts in which repayment terms have been established, the fair value of the borrowings are estimated using discounted cash flows based on the market rate of similar issues.

The carrying amounts and fair values of the community loans (see Note 10), as of December 31, 2007 and 2006, respectively, are as follows:

	2007		2006	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
PBC	$ 299,619	$ 296,860	$ 291,110	$ 294,478
SOC	-	-	434,717	439,308
NC	137,618	137,460	115,852	116,449
WMC	208,746	208,848	170,160	171,518
HC	155,860	154,700	136,875	136,952
LNC	74,323	73,816	58,668	58,700
HOU	70,009	70,009	40,693	40,693
NAP	35,780	35,780	20,214	20,214
CC	121,349	120,522	41,514	41,514
DAL	58,728	58,728	32,857	32,857
LTN	70,506	70,027	-	-
KC	12,978	12,978	-	-
	$ 1,245,516	$ 1,239,728	$ 1,342,660	$ 1,352,683

Real Estate Financing Obligations
Carrying amounts approximate fair value as of December 31, 2007 and 2006.

Deposit from Communities for Purchase of Community Assets
The fair value of deposit liabilities, for those Landowners who have purchase deposits (see Note 14), is the amount payable at the reporting date since the deposit does not have a defined maturity date.

Interest Rate Swap
The fair value of the interest rate swap was recorded as an unrealized loss totaling $3,228 as of December 31, 2007, which is included in the accrued liability on the accompanying balance sheets.

23. Commitments and Contingencies

On October 26, 2004 the Company and United Healthcare Insurance Company ("EverCare") entered into a Definitive Agreement to jointly offer Erickson Advantage, a Medicare Advantage health plan to the residents of the managed CCRCs. The Erickson Advantage Health plan received formal CMS approval at the end of September 2005 and had active members beginning October 1, 2005. The Definitive Agreement provides that the Company receive administrative fees of 7.55% of premium revenue and care management fees of Thirty Seven dollars and Thirty Six dollars in 2007 and 2006, respectively per member per month. In addition, health plan profits or losses are shared 70% to the Company and 30% to EverCare.

The Company and its subsidiaries are committed under several construction related contracts. Commitments for those portions of the contracts not completed as of December 31, 2007 and 2006, totaled approximately $228,809 and $269,171, respectively.

Various construction loans for The Company's subsidiaries (see Note 9) allow for letters of credit to be issued and outstanding. As a condition under these loans, if letters of credit are issued, the maximum borrowing capacity is reduced by the amounts currently outstanding. As of December 31, 2007, total letters of credit issued and outstanding totaled $7,377 for the improvement of certain land in connection with the project.

24. Subsequent Events

During January 2008, the Company's newly formed landowner, Columbus Campus, LLC ("COL") purchased certain real property in Hilliard, Franklin County, Ohio for the future development of a CCRC. The purchase price of the land was approximately $11,597. COL obtained a loan to finance the purchase. Proceeds of this loan were $12,496.

On January 30th 2008, the Company entered in a lease agreement for the lease of an Aircraft. Terms of the lease commence February 1, 2008 and will terminate January 31, 2018. Rents equal to $65 are due and payable in advance on the 1st of each month. The lease agreement includes an option to renew the lease for two additional years and an option to purchase the aircraft upon the completion of the lease term at its fair market value or $6,707. The lease agreement also allows for an early buyout and an early termination of the lease.

During March 2008, PBC, NC, WMC and their respective communities each agreed to account for the amortization of the loans over a period of approximately 25 years as opposed to the original 40 years (see Note 10). The agreements by all parties were the result of amendments to the loan agreements, dated February 12, 2004, that adjusted the amortization of the loans from 40 year terms to 30 year terms. None of the parties accounted for the amendment through December 31, 2007.

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report
On The Supplementary Information

To the Members
Erickson Retirement Communities, LLC

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information which follows is presented for purposes of additional analysis of the basic consolidated financial statements rather than present the financial position and results of operation of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

Baltimore, Maryland
March 18, 2008

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an affiliation of separate and independent legal entities.

ERICKSON RETIREMENT COMMUNITIES, LLC
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2007

(in thousands of dollars)	Erickson Corporate (a)	TFC	TFC II	SOC	PVC	PVC II	CC	HC	LNC	WMC	WBP	PBC	NC	KC	DAL	HOU	LTN	NAP	ASH	WTC	Erickson Construction LLC	Totals	Elimination Entries	Consolidated
Assets																								
Current Assets																								
Cash and cash equivalents	$ 182,433	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,165	$ 189,598	$ -	$ 189,598
Restricted cash and investments	1,079	-	83	-	-	118	384	708	151	8,047	-	31	81	57	840	52	113	95	17	-	1,020	12,876	-	12,876
Short term investments, available for sale	48,084	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,084	-	48,084
Assets limited as to use	-	-	-	-	-	-	-	-	1,160	-	-	-	2	855	241	-	61	36,270	-	-	-	38,589	-	38,589
Receivable on contract revenue	-	-	-	-	-	67,292	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,292	-	67,292
Bond proceeds receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	1,627	-	-	-	578	-	-	-	2,205	-	2,205
Accounts receivable	175,550	-	129	-	-	58	41	86	42	95	100	178	84	(84)	17	18	36	-	-	-	39,030	215,380	(201,268)	14,112
Prepaid expenses and other	3,348	-	19	-	-	25	124	25	21	180	-	-	112	16	29	34	16	4,789	18	-	(132)	8,624	-	8,624
Total current assets	410,494	-	231	-	-	67,493	549	819	1,374	8,322	100	209	279	2,471	1,127	104	226	41,732	35	-	47,083	582,648	(201,268)	381,380
Property, plant and equipment, net	26,854	-	5,640	-	-	-	175,533	282,192	175,071	291,770	-	254,656	181,392	87,703	119,684	118,937	149,178	162,561	59,058	12,155	1,599	2,103,983	(52,645)	2,051,338
Investment in new sites, net	57,487	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,487	-	57,487
Deferred financing costs, net	3,631	-	-	-	-	-	841	-	447	-	-	-	92	2,251	862	485	1,138	727	2,889	-	-	13,363	-	13,363
Investment in subsidiaries	(405,762)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(405,762)	405,762	-
Restricted cash and investments, net of current portion	-	-	-	-	-	-	-	-	-	1,462	-	-	1,275	-	-	1,725	1,454	-	-	-	-	5,916	-	5,916
Assets limited as to use, net of current portion	-	-	-	-	-	-	-	-	240	-	-	-	-	1,852	-	-	-	623	-	-	-	2,715	-	2,715
Notes receivable from communities	6,356	-	-	-	-	-	11,551	9,862	15,049	-	-	6,571	31,792	6,308	16,212	23,090	11,418	18,621	272	-	-	157,102	-	157,102
Note receivable, RWV	13,449	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,449	-	13,449
Deferred Growth Participation Fund	5,954	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,954	-	5,954
Deferred management fees	500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500	-	500
Cash surrender value - officer's life insurance	136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136	-	136
Total assets	$ 119,099	$ -	$ 5,871	$ -	$ -	$ 67,493	$ 188,474	$ 292,873	$ 192,181	$ 301,554	$ 100	$ 261,436	$ 214,830	$ 100,585	$ 137,885	$ 144,341	$ 163,414	$ 224,264	$ 62,254	$ 12,155	$ 48,682	$ 2,537,491	$ 151,849	$ 2,689,340
Liabilities and Members' equity (deficit)																								
Current liabilities																								
Construction accounts payable and accrued expenses	$ -	$ -	$ 7,698	$ -	$ -	$ 13,351	$ 13,650	$ 5,029	$ 2,232	$ 5,102	$ -	$ 422	$ 7,022	$ 4,729	$ 4,872	$ 4,419	$ 10,857	$ 5,177	$ 4,443	$ -	$ 37,855	$ 126,858	$ (82,403)	$ 44,455
Corporate accounts payable and accrued expenses	5,975	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,975	-	5,975
Accrued payroll and benefits	12,891	-	154	-	-	234	197	250	207	227	-	35	164	187	215	169	187	217	41	-	2,510	17,885	-	17,885
Accrued insurance claims	3,495	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,495	-	3,495
Interest payable	1,812	-	5,552	-	-	324	556	-	-	-	-	-	270	911	494	326	656	-	794	32	-	11,727	(5,552)	6,175
Corporate line of credit	1,647	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,647	-	1,647
Land financings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,724	-	9,724	-	9,724
Current portion of borrowings under community loans	-	-	-	-	-	-	879	1,697	526	612	-	2,210	318	-	-	-	626	-	-	-	-	6,868	-	6,868
Current portion of special tax district financing	-	-	-	-	-	-	-	-	235	-	-	-	-	-	-	-	-	-	-	-	-	235	-	235
Current portion of Growth Participation Plan payable	24,799	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,799	-	24,799
Project Funding	147	-	4,877	-	-	12,622	-	3,547	4,310	41,666	-	5,171	11,990	-	-	16,181	4,325	8,085	400	-	-	113,321	(113,321)	-
Due to / (Due From)	(3,381)	-	490	-	-	213	167	165	436	176	7	51	285	212	154	163	301	178	215	-	179	11	(11)	-
Total current liabilities	47,385	-	18,771	-	-	26,744	15,449	10,688	7,946	47,783	7	7,889	20,049	6,039	5,735	21,258	16,952	13,657	5,893	9,756	40,544	322,545	(201,287)	121,258
Borrowings under construction lines of credit	-	-	-	-	-	-	41,920	-	-	-	-	-	42,008	56,721	59,685	50,000	60,458	-	34,740	-	-	345,532	-	345,532
Corporate Revolver	236,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	236,500	-	236,500
Land financings, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,466	-	-	-	-	-	-	3,466	-	3,466
Special tax district financing, net of current portion	-	-	-	-	-	-	-	-	14,765	-	-	-	-	14,950	-	-	-	15,000	-	-	-	44,715	-	44,715
Borrowings under community loans, net of current portion	-	-	-	-	-	-	120,469	154,163	73,797	208,134	-	297,409	137,301	12,978	58,728	70,009	69,880	35,780	-	-	-	1,238,648	-	1,238,648
Purchase deposits	-	-	-	-	-	-	-	145,000	125,000	75,000	-	55,000	-	-	-	-	-	162,000	-	-	-	562,000	-	562,000
Real estate financing obligations / mezzanine loans	-	-	-	-	-	-	25,000	-	-	19,500	-	-	17,000	25,000	17,500	23,000	25,000	-	50,000	-	-	202,000	-	202,000
Loan payable	-	-	-	-	-	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	-	25,000
Subordinated debt	47,845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,845	-	47,845
Accrued interest rate swap liability	3,228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,228	-	3,228
Growth Participation Plan payable - net of current portion	33,932	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,932	-	33,932
Total liabilities	368,890	-	18,771	-	-	51,744	202,838	309,851	221,508	350,417	7	360,298	216,358	115,688	145,114	164,267	172,290	226,437	90,633	9,756	40,544	3,065,411	(201,287)	2,864,124
Members' deficit	(249,791)	-	(12,900)	-	-	15,749	(14,364)	(16,978)	(29,327)	(48,863)	93	(98,862)	(1,528)	(15,103)	(7,229)	(19,926)	(8,876)	(2,173)	(28,379)	2,399	8,138	(527,920)	353,136	(174,784)
Total liabilities and members' equity (deficit	$ 119,099	$ -	$ 5,871	$ -	$ -	$ 67,493	$ 188,474	$ 292,873	$ 192,181	$ 301,554	$ 100	$ 261,436	$ 214,830	$ 100,585	$ 137,885	$ 144,341	$ 163,414	$ 224,264	$ 62,254	$ 12,155	$ 48,682	$ 2,537,491	$ 151,849	$ 2,689,340

(a) Corporate includes Erickson Retirement Communities, LLC; SCS; SCC; SCL

ERICKSON RETIREMENT COMMUNITIES, LLC
CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2007

(in thousands of dollars)	Erickson Corporate (a)	TFC	TFC II	SOC	PVC	PVC II	CC	HC	LNC	WMC	WBP	PBC	NC	KC	DAL	HOU	LTN	NAP	ASH	WTC	Erickson Construction LLC	Total	Elimination Entries	Consolidated
Operating revenues and gains																								
Facility rent	$ -	$ -	$ -	$ 31,374	$ -	$ -	$ 5,083	$ 10,697	$ 4,337	$ 14,141	$ -	$ 20,505	$ 8,821	$ 104	$ 2,598	$ 3,415	$ 1,496	$ 1,499	$ -	$ -	$ -	$ 104,070	$ -	$ 104,070
Interest expense on community mortgage loans	-	-	-	(27,124)	-	-	(4,151)	(8,408)	(3,504)	(12,946)	-	(16,340)	(7,958)	(59)	(2,418)	(3,234)	(1,305)	(1,319)	-	-	-	(88,766)	-	(88,766)
Net facility rent	-	-	-	4,250	-	-	932	2,289	833	1,195	-	4,165	863	45	180	181	191	180	-	-	-	15,304	-	15,304
Construction Income net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,373	14,373	(14,373)	-
Gain on Distribution of Subsidiaries	16,833	-	3,078	202,067	-	5,115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	227,093	11,177	238,270
Management fees	22,475	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,475	-	22,475
Total operating revenue and gains	39,308	-	3,078	206,317	-	5,115	932	2,289	833	1,195	-	4,165	863	45	180	181	191	180	-	-	14,373	279,245	(3,196)	276,049
Expenses																								
Landowner selling, general and adminstrative	-	-	1,338	32	-	2,130	1,702	2,282	3,318	1,644	-	90	2,207	2,179	2,653	2,430	1,663	3,391	2,512	-	-	29,571	-	29,571
Corporate selling, general and adminstrative	12,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	895	13,069	(854)	12,215
Growth Participation Plan	13,363	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,363	-	13,363
Depreciation and amortization	11,634	-	-	9,824	-	70	3,011	5,272	4,062	6,553	-	7,421	4,132	616	2,432	2,965	1,576	3,745	425	135	-	63,873	(338)	63,535
Total expenses	37,171	-	1,338	9,856	-	2,200	4,713	7,554	7,380	8,197	-	7,511	6,339	2,795	5,085	5,395	3,239	7,136	2,937	135	895	119,876	(1,192)	118,684
Operating (loss) income	2,137	-	1,740	196,461	-	2,915	(3,781)	(5,265)	(6,547)	(7,002)	-	(3,346)	(5,476)	(2,750)	(4,905)	(5,214)	(3,048)	(6,956)	(2,937)	(135)	13,478	159,369	(2,004)	157,365
Other revenue (expense)																								
Interest revenue	5,691	-	33	154	-	157	726	1,311	1,900	194	-	168	1,942	692	1,074	1,513	344	1,213	187	-	503	17,802	-	17,802
Interest expense	(20,328)	-	-	(11)	-	(3,855)	(3,969)	(2,508)	(8,830)	(3,714)	-	(18)	(3,148)	(3,082)	(3,899)	(3,496)	(3,805)	(10,797)	(4,320)	(735)	-	(76,515)	-	(76,515)
Other expense	(115,238)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)	(115,242)	107,868	(7,374)
Total other revenue (expense)	(129,875)	-	33	143	-	(3,698)	(3,243)	(1,197)	(6,930)	(3,520)	-	150	(1,206)	(2,390)	(2,825)	(1,983)	(3,461)	(9,584)	(4,133)	(735)	499	(173,955)	107,868	(66,087)
Net (loss) income	$ (127,738)	$ -	$ 1,773	$ 196,604	$ -	$ (783)	$ (7,024)	$ (6,462)	$ (13,477)	$ (10,522)	$ -	$ (3,196)	$ (6,682)	$ (5,140)	$ (7,730)	$ (7,197)	$ (6,509)	$ (16,540)	$ (7,070)	$ (870)	$ 13,977	$ (14,586)	$ 105,864	$ 91,278

(a) Corporate includes Erickson Retirement Communities, LLC; SCS; SCC; SCL

ERICKSON RETIREMENT COMMUNITIES, LLC
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2006

(in thousands of dollars)	Erickson Corporate (a)	TFC	TFC II	SOC	PVC	PVC II	CC	HC	LNC	WMC	WBP	PBC	NC	KC	DAL	HOU	LTN	NAP	ASH	Erickson Construction LLC	Totals	Elimination Entries	Consolidated
Assets																							
Current Assets																							
Cash and cash equivalents	$ 43,802	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,922	$ 49,724	$ -	$ 49,724
Restricted cash and investments	1,345	-	768	1,090	-	1,683	192	83	61	9,320	-	607	92	38	478	50	55	50	-	753	16,665	-	16,665
Short term investments, available for sale	54,983	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,983	-	54,983
Assets limited as to use	-	-	-	43	-	-	4,661	1,423	2,292	-	-	-	871	-	-	-	-	1,408	-	-	10,698	-	10,698
Receivable on contract revenue	-	-	-	-	-	98,162	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98,162	-	98,162
Bond proceeds receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	11,635	-	-	-	578	-	-	12,213	-	12,213
Accounts receivable	156,538	-	77	72	-	(33,188)	13	(9,941)	(25,978)	(3,133)	100	(11)	(2,056)	(660)	15	(14,194)	(50)	(16,118)	-	51,337	102,823	(92,326)	10,497
Prepaid expenses and other	3,553	-	40	-	-	42	173	43	74	59	-	-	118	3,103	35	38	49	4,836	-	784	12,947	-	12,947
Total current assets	260,221	-	885	1,205	-	66,699	5,039	(8,392)	(23,551)	6,246	100	596	(975)	14,116	528	(14,106)	54	(9,246)	-	58,796	358,215	(92,326)	265,889
Property, plant and equipment, net	25,284	-	1,850	324,115	-	-	108,403	233,728	154,857	231,704	-	254,994	162,169	36,132	90,955	102,179	67,351	123,667	25,151	1,349	1,943,888	(50,643)	1,893,245
Investment in new sites, net	20,433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,433	-	20,433
Deferred financing costs, net	4,505	-	-	-	-	70	973	243	812	-	-	-	171	661	880	572	1,373	1,698	115	-	12,073	-	12,073
Investment in subsidiaries	(438,687)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(438,687)	438,687	-
Restricted cash and investments, net of current portion	-	-	-	-	-	-	-	1,478	2,025	1,462	-	-	1,403	-	-	1,725	1,454	-	-	-	9,547	-	9,547
Assets limited as to use, net of current portion	-	-	-	-	-	-	-	-	303	-	-	-	-	-	-	-	-	1,462	-	-	1,765	-	1,765
Notes receivable from communities	-	-	-	-	-	-	4,871	11,818	17,102	-	-	-	20,550	-	10,952	14,175	223	11,164	-	-	90,855	-	90,855
Note receivable, GSV	14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,000	-	14,000
Deferred Growth Participation Fund	4,302	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,302	-	4,302
Deferred compensation fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred management fees	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114	-	114
Cash surrender value - officer's life insurance	126	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126	-	126
Total assets	$ (109,702)	$ -	$ 2,735	$ 325,320	$ -	$ 66,769	$ 119,286	$ 238,875	$ 151,548	$ 239,412	$ 100	$ 255,590	$ 183,318	$ 50,909	$ 103,315	$ 104,545	$ 70,455	$ 128,745	$ 25,266	$ 60,145	$ 2,016,631	$ 295,718	$ 2,312,349
Liabilities and Members' equity (deficit)																							
Current liabilities																							
Construction accounts payable and accrued expenses	$ -	$ -	$ 11,449	$ 2,241	$ -	$ 16,141	$ 9,016	$ 8,562	$ 7,244	$ 9,677	$ 7	$ 1,764	$ 10,830	$ 2,270	$ 6,059	$ 4,820	$ 5,853	$ 7,671	$ 11	$ 51,272	$ 154,887	$ (86,462)	$ 68,425
Corporate accounts payable and accrued expenses	4,677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,677	-	4,677
Accrued payroll and benefits	10,566	-	-	187	-	215	289	236	187	222	-	168	200	-	241	165	199	205	-	2,495	15,575	-	15,575
Accrued insurance claims	2,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,802	-	2,802
Interest payable	3,360	-	5,552	-	-	324	666	373	437	-	-	-	251	146	410	365	552	824	31	-	13,291	(5,552)	7,739
Corporate line of credit	1,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,900	-	1,900
Land financings	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	-	-	-	-	14,000	-	34,000	-	34,000
Current portion of borrowings under community loans	-	-	-	2,151	-	-	-	1,165	458	570	-	1,555	298	-	-	-	-	-	-	-	6,197	-	6,197
Real estate financing obligation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of Growth Participation Plan payable	25,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,500	-	25,500
Due to / (Due From)	(4,406)	-	167	177	-	561	629	389	225	199	-	155	186	308	194	215	605	621	(11)	117	331	(331)	-
Total current liabilities	44,399	-	17,168	4,756	-	17,241	10,600	10,725	8,551	10,668	7	3,642	11,765	22,724	6,904	5,565	7,209	9,321	14,031	53,884	259,160	(92,345)	166,815
Borrowings under construction lines of credit	-	-	-	-	-	-	48,992	83,085	60,000	-	-	-	35,302	-	44,395	50,000	40,578	67,703	-	-	430,055	-	430,055
Land financings, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,140	-	-	-	-	-	3,140	-	3,140
Special tax district financing	-	-	-	-	-	-	-	-	15,000	-	-	-	-	14,950	-	-	-	15,000	-	-	44,950	-	44,950
Borrowings under community loans, net of current portion	-	-	-	432,566	-	-	41,514	135,710	58,210	169,590	-	289,555	115,554	-	32,857	40,693	-	20,214	-	-	1,336,463	-	1,336,463
Purchase deposits	-	-	-	75,000	-	-	-	-	-	75,000	-	55,000	-	-	-	-	-	-	-	-	205,000	-	205,000
Real estate financing obligations	-	-	-	-	-	-	25,000	19,700	27,000	19,500	-	-	17,000	-	17,500	23,000	25,000	25,000	-	-	198,700	-	198,700
Subordinated debt	112,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112,510	-	112,510
Loan payable	-	-	-	-	-	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	-	25,000
Growth Participation Plan payable - net of current portion	56,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,900	-	56,900
Deferred Growth Participation Plan liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred compensation liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	213,809	-	17,168	512,322	-	42,241	126,106	249,220	168,761	274,758	7	348,197	179,621	37,674	104,796	119,258	72,787	137,238	14,031	53,884	2,671,878	(92,345)	2,579,533
Members' deficit	(323,511)	-	(14,433)	(187,002)	-	24,528	(6,820)	(10,345)	(17,213)	(35,346)	93	(92,607)	3,697	13,235	(1,481)	(14,713)	(2,332)	(8,493)	11,235	6,261	(655,247)	388,063	(267,184)
Total liabilities and members' equity (deficit)	$ (109,702)	$ -	$ 2,735	$ 325,320	$ -	$ 66,769	$ 119,286	$ 238,875	$ 151,548	$ 239,412	$ 100	$ 255,590	$ 183,318	$ 50,909	$ 103,315	$ 104,545	$ 70,455	$ 128,745	$ 25,266	$ 60,145	$ 2,016,631	$ 295,718	$ 2,312,349

(a) Corporate includes Erickson Retirement Communities, LLC; SCS; SCC; SCL and SCCVA.

ERICKSON RETIREMENT COMMUNITIES, LLC
CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2006

(in thousands of dollars)	Erickson Corporate (a)	TFC	TFC II	SOC	PVC	PVC II	CC	HC	LNC	WMC	WBP	PBC	NC	KC	DAL	HOU	LTN	NAP	ASH	Erickson Construction LLC	Total	Elimination Entries	Consolidated
Operating revenues and gains																							
Facility rent	$ -	$ 13,823	$ -	$ 29,733	$ 10,848	$ -	$ 244	$ 7,402	$ 2,747	$ 11,350	$ -	$ 20,772	$ 7,145	$ -	$ 177	$ 1,813	$ -	$ 307	$ -	$ -	$ 106,361	$ -	$ 106,361
Interest expense on community mortgage loans	-	(12,366)	-	(25,954)	(9,830)	-	(199)	(6,201)	(2,426)	(10,337)	-	(17,819)	(6,510)	-	(132)	(1,628)	-	(232)	-	-	(93,634)	-	(93,634)
Net facility rent	-	1,457	-	3,779	1,018	-	45	1,201	321	1,013	-	2,953	635	-	45	185	-	75	-	-	12,727	-	12,727
Construction Income net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,877	14,877	(14,877)	-
Gain on Distribution of Subsidiary	-	52,833	-	-	54,785	2,081	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109,699	-	109,699
Management fees	19,244	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,244	-	19,244
Total operating revenue and gains	19,244	54,290	-	3,779	55,803	2,081	45	1,201	321	1,013	-	2,953	635	-	45	185	-	75	-	14,877	156,547	(14,877)	141,670
Expenses																							
Landowner selling, general and adminstrative	-	578	268	1,544	1,670	513	1,644	2,001	2,821	1,565	-	1,654	2,112	1,506	1,591	2,046	1,569	2,943	3	-	26,028	-	26,028
Corporate selling, general and adminstrative	14,241	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,241	-	14,241
Growth Participation Plan	14,360	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,360	-	14,360
Common B accretion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	3,433	5,202	-	9,258	5,596	12	698	3,500	2,606	4,693	-	7,123	3,161	55	865	2,115	214	1,158	-	-	49,689	(372)	49,317
Total expenses	32,034	5,780	268	10,802	7,266	525	2,342	5,501	5,427	6,258	-	8,777	5,273	1,561	2,456	4,161	1,783	4,101	3	-	104,318	(372)	103,946
Operating (loss) income	(12,790)	48,510	(268)	(7,023)	48,537	1,556	(2,297)	(4,300)	(5,106)	(5,245)	-	(5,824)	(4,638)	(1,561)	(2,411)	(3,976)	(1,783)	(4,026)	(3)	14,877	52,229	(14,505)	37,724
Other revenue (expense)																							
Interest revenue	4,517	11	4	183	39	7	125	836	1,147	452	-	1,103	1,498	8	212	950	3	416	-	451	11,962	-	11,962
Interest expense	(11,382)	-	-	(33)	(3,345)	(637)	(3,754)	(3,138)	(5,933)	(3,243)	-	(2,303)	(2,723)	(81)	(2,241)	(4,793)	(924)	(4,763)	(31)	-	(49,324)	-	(49,324)
Other expense	(78,851)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(78,851)	78,691	(160)
Total other revenue (expense)	(85,716)	11	4	150	(3,306)	(630)	(3,629)	(2,302)	(4,786)	(2,791)	-	(1,200)	(1,225)	(73)	(2,029)	(3,843)	(921)	(4,347)	(31)	451	(116,213)	78,691	(37,522)
Net (loss) income	$ (98,506)	$ 48,521	$ (264)	$ (6,873)	$ 45,231	$ 926	$ (5,926)	$ (6,602)	$ (9,892)	$ (8,036)	$ -	$ (7,024)	$ (5,863)	$ (1,634)	$ (4,440)	$ (7,819)	$ (2,704)	$ (8,373)	$ (34)	$ 15,328	$ (63,984)	$ 64,186	$ 202

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