

UNITED STATES BANKRUPTCY COURT Northern District of Texas (Dallas Division)

PROOF OF CLAIM

Name of Debtor: ERICKSON RETIREMENT COMMUNITIES LLC Case Number: 09-37010

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property): W. SCOTT HAYWARD

Check this box to indicate that this claim amends a previously filed claim.

Name and address where notices should be sent: W. SCOTT HAYWARD SELM ST.

Court Claim Number: (If known)

Telephone number: HARVARD, MA 01451 978.808.3651 C. 978.456.6933 h.

Filed on:

Name and address where payment should be sent (if different from above): RECEIVED DEC 07 2009 BMC GROUP

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ 739,901.03

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

Specify the priority of the claim.

Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

2. Basis for Claim: (See instruction #2 on reverse side.)

Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).

3. Last four digits of any number by which creditor identifies debtor:

3a. Debtor may have scheduled account as: (See instruction #3a on reverse side.)

Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).

4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: Real Estate Motor Vehicle Other Describe:

Value of Property: \$ Annual Interest Rate %

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: \$ Basis for perfection:

Amount of Secured Claim: \$ Amount Unsecured: \$

Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).

Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

Other - Specify applicable paragraph of 11 U.S.C. §507 (a)().

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)

Amount entitled to priority:

\$

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

If the documents are not available, please explain:

FOR COURT USE ONLY

Date:

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Erickson Ret. Comm. LLC



W. Scott Hayward W. SCOTT HAYWARD

To Whom It May Concern:

Ref.: Claim #09-37010
W. Scott Hayward

Attached is a completed Proof of Claim form dated November 23, 2009, regarding the above referenced claim against Erickson Retirement Communities, LLC. Below is a summary itemizing the three (3) contractual obligations on which my claim for **\$739,901.03** is based, along with references (underlined) to the supporting documents I have provided.

1. Severance owed: \$82,488.40

See attached Separation Agreement dated by signature 8/19/09. Of the 26 weeks of pay I negotiated in my Separation Agreement, I only received 6 weeks of pay before the severance payments were suspended.

2. 2005 Share Redemption: \$421,946.70

The attached Redemption Agreement dated August 30, 2005 acknowledges redemption of stock and provides a schedule of distributions. All the stock was redeemed in 2005. Payout was to occur in \$100,000 annual increments, see table below. For the use of these funds, Erickson was to pay 9% annual interest on the undistributed balance of the loan. The 2008 and 2009 payments were not made, nor were my attempts to get them paid successful. The full amount owed, \$421,946.70, includes all funds owed including additional interest incurred on the undistributed 2008 and 2009 payments through October 31, 2009.

January 31, 2008	\$100,000.00
January 31, 2009	\$100,000.00
January 31, 2010	\$100,000.00
January 31, 2011	\$ 97,946.70
Additional interest	\$ 24,000.00
Total owed	\$421,946.70

3. 2006 Share Redemption: \$235,465.93

As outlined in the attached Letter from the Erickson "Plan Administrators" dated June 15, 2007, my balance accrued under the original Erickson Growth Participation Plan (GPP) through December 31, 2005, was redeemed in its entirety and was to have been paid in a series of four equal annual payments of \$225,326.25. I received the 2006, 2007, and 2008 installments as scheduled, but the final 2009 payment was never made. Note that this payment would not have been a redemption of shares, but a distribution of funds owed to me by Erickson.

Below is a calculation of the amount owed me, based on the original installment amount plus interest at the 9% rate stated in Erickson's letter:

Unpaid 2009 distribution	\$225,325.95
Additional interest	\$ 10,139.68
Total owed	\$235,465.93



June 15, 2007
Scott Hayward
NECD

Dear Scott,

As you are aware, the Growth Participation Plan (GPP) has undergone significant changes over the past year. We have now completed all of the necessary updates to the Plan document and collateral materials, and we are able to provide information on your personal position in the plan.

New Plan Information:

As we announced last year, we have converted the GPP from a long-term deferred compensation plan to a more current annual profit sharing arrangement. To that end, we enclose the amended GPP Plan Document along with an overview of the changes made to the plan and your grant of units. These changes are consistent with the communication received last year.

As an existing participant in the original Plan structure, you are eligible to receive the total New Participation Unit grant associated with your position in the new Plan. The total unit grant is 750 units. This grant will be issued in four installments of 187.5 units each over a four year period. The installments are similar to "rolling" options, and each will have a four year growth cycle. Any value that has accumulated over the four years for the installment will be paid per the terms of the restated Plan document.

The first installment of your grant of the New Participation Units was issued in 2006 and is deemed to have increased in value \$100 per New Participation Unit.

Additionally, due to your promotion in 2006, you are now eligible for an additional unit grant of 250 units. This grant will also be issued in four installments, with each equal to 62.5 units. The installments may accumulate value over a four year growth cycle as stated above. The first installment for your promotion is issued in 2007.

The grant issuances are evidenced by this letter. We will not be issuing separate certificates.

Original Plan Balance:

In addition to new grants under the amended plan, we are in the second year of paying out your balance accrued under the original GPP through December 31, 2005. As was discussed at the annual meeting, we are a growth company and continue to utilize our capital to start new campuses (Tall Grass Creek in Kansas City and Ashby Ponds in Virginia) in addition to supporting existing communities. We are completing the refinancing of our capital in multiple campuses and will be positioned to both fund the second installment by the end of July as well as starting our 20th community, Hickory Chase, in Ohio this fall.

Scott Hayward

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Your balance in the original plan was fixed in 2006, with one quarter paid last year. The remaining balance is earning 9% and the second payment is targeted to be paid by the end of July. Your balance is \$675,978.75 and the targeted 2007 installment, plus interest, is \$225,326.25. If you are not yet vested, the installment will be directed to the account at PenCal. As a reminder, the original Plan vesting remains at 5 years of service.

We will update you on this schedule as we progress through the summer. Thanks for all your support and commitment.

If you have any other questions regarding the GPP, please contact your Human Resources Department.

Sincerely,

The Plan Administrators

TO: W. Scott Hayward
DATE: July 31, 2009
RE: Separation Agreement and Release

Erickson Retirement Communities, LLC ("Company") must regretfully initiate a reduction in force. This agreement (the "Agreement") sets forth the terms and conditions for your separation from employment. This agreement replaces and supersedes the previous agreements dated April 2009 and June 2009.

1. You were separated as of the close of business on June 1, 2009 (the "Effective Date"). You have already received a final paycheck for your wages, minus taxes and withholdings, through the Effective Date at your current 2009 salary level. Your current benefits package remains in effect through the end of June 2009 with the standard payroll deduction. You have already received a check for any accrued, unused PTO hours, minus taxes and withholdings, you have as of the Effective Date.

2. If you currently participate in our benefits plan, beginning July 1, 2009, you may elect to continue your current health benefits package under COBRA. If you make this election, you may be eligible for a subsidy of the cost of maintaining your COBRA benefits under a new federal law, the Americans Recovery and Reinvestment Act of 2009 ("ARRA"). Under ARRA, for a limited period, you would be responsible for paying 35% of the ordinary COBRA premium for your benefits. For that same period, Company would be responsible for paying 65% of the ordinary COBRA premium for your benefits. According to current information, this subsidy towards your COBRA premium is for a period of up to 9 months starting with your first month of COBRA eligibility and may be discontinued if you become eligible for other benefits in certain circumstances. Further details on your rights under COBRA are included in the information package with this Agreement. Your eligibility for this subsidy does not depend on signing this Agreement. However, if you do not sign the Agreement, you will need to make your payments directly to our third party COBRA benefits administrator.

3. If you sign this Agreement and do not revoke your signature, we will also provide the benefits listed below. You will not be entitled to any other compensation, payments or benefits except as provided in this Agreement; however, this doesn't affect your vested retirement benefits nor any rights you have to continue your health insurance under COBRA.

- 26 weeks of separation pay at your current 2009 salary level, minus taxes, deductions, and withholdings. The separation pay will be made in bi-weekly payments in accordance with Company's regular pay dates. These payments will start on the first pay period following eight (8) days after your signature of this Agreement. However, if you accept another position with Company or another company which is managed by Company during the separation pay period, then your separation pay will end as of the start date for your new position.
- You will be eligible to participate in any group outplacement services offered by Company through its contractor(s) as part of the April 2009 reduction-in-force program.
- If you elect to continue your current health benefits package under COBRA, your eligibility for a potential subsidy of the cost under ARRA is discussed in Section 2 of this Agreement. In many cases, a 35% cost contribution would be higher than your normal monthly employee contribution to your benefits. If you sign this Agreement and do not revoke it, then during the separation pay period, we agree that you will only be responsible for paying the lesser of: (i) your normal employee contribution towards your benefits, or (ii) 35% of the ordinary COBRA premium for your benefits. Your contribution will be deducted automatically from the separation pay. After separation pay is concluded, then you will be responsible for direct payments of the 35% cost portion if you are eligible for the subsidy or the full COBRA premium if you are not eligible or if your eligibility period has concluded.

- If you participate in Company's 401k plan, you remain vested in the employer's matching contributions towards your plan per the vesting schedule which is included in your separation packet. Per the terms of the plan, you cannot make any further contributions during the separation pay period.
- If you have an outstanding employee assistance loan, we will continue to deduct the amounts you agreed upon from your final paycheck and separation paychecks. If there is still an outstanding balance after the final paycheck or separation pay is ended, we will forgive the outstanding balance.
- If you have a current agreement for tuition reimbursement, we will continue the reimbursement per the terms of our tuition reimbursement policy for this current semester only.
- If you are uncertain about your participation or vesting level in the benefits or plans named above, you may contact the HR Representative at the number provided in your separation packet.

4. Company acknowledges that, pursuant to the terms of that certain Redemption Agreement dated August 30, 2005, your shares of the 2005 Growth Participation Plan ("2005 GPP") and Common B shares were to be redeemed per a certain schedule. You and Company agree that certain payments were made as shown in Exhibit A, attached and incorporated hereto, and you agree that Erickson is released from liability for payments already made. We acknowledge that a redemption payment due in January 2008 (the "2008 Payment") was not made. We agree that Erickson owes and shall pay to you the outstanding balances also listed on Exhibit A, attached and incorporated hereto, for the remaining GPP Units and Common B shares as indicated therein that you were required to redeem under the 2005 GPP. Company also acknowledges that the remaining balance of the GPP Units that you were permitted to retain under the 2005 GPP have a current value of \$225,326.25. Finally, Company acknowledges that you also have grants under the 2006 Growth Participation Plan ("2006 GPP") which include one installment of 312.5 units worth \$175 each, and a second installment of 312.5 units worth \$75 each. Company shall make payments when permitted by the terms of the 2005 GPP and the 2006 GPP and the 2008 Payment will be made as soon as permitted by the terms of the Redemption Agreement. Payments that were deferred shall bear simple interest from the date such payment would otherwise have been due to the date when such payment is actually made, at the rate of 9% per annum. Payments made on account of redeemed GPP Units or shares (whether under the 2005 GPP or the 2006 GPP) shall be applied first to accrued interest, and then to the outstanding value of unpaid Common B shares, and then to the outstanding value of unpaid GPP Units. All redemptions of your GPP Units and Common B shares and all other payments of GPP value under the 2005 GPP or 2006 GPP remain subject to the terms of the respective Growth Participation Plan and may be delayed or deferred per the terms of the plans. Notwithstanding anything herein to the contrary, no payment under the 2005 GPP or the 2006 GPP shall be made under this Agreement that would cause Company, its members, subsidiaries, or affiliates to violate any banking agreement or loan or other financial covenant or cause default of any senior indebtedness of Company, its members, subsidiaries or affiliates, regardless of when such agreement, covenant or indebtedness was created, incurred or assumed.

5. You acknowledge that you have returned all of Company's property including, but not limited to, your ID card, keys, parking pass, laptop, blackberry/ phone, equipment, and any documents or files concerning residents, employees, services, software, and business information for Company, its managed retirement communities, their members, subsidiaries, or affiliates. You agree to be reasonably available for discussions with your Company about transitioning your work. You agree to submit any expenses which you believe are reimbursable business expenses to Company within 60 days from your separation date. Company will only reimburse business expenses that are timely, genuine and reasonable, and supported by documentation as determined by Company. If you wish to keep your company phone, you will be required to transfer the account to your name and will be responsible for all charges after the Effective Date. You agree to refrain from disclosing any of Company's trade secrets, business practices, proprietary information or confidential information which you acquired during the course of your employment with Company. You also agree to keep the terms and the existence of this Agreement confidential and not to disclose this Agreement to any other person or entity, except for your attorney, your tax advisor, or your spouse, as applicable, unless otherwise required by law.

6. You agree not to communicate any derogatory or defamatory information concerning Company, its managed retirement communities, including their directors, officers, and employees to any other person or entity. Company agrees not to condone its managers communicating any derogatory or defamatory information concerning you to any other person or entity. If Company becomes aware of such conduct, Company will make a prompt and good faith effort to stop same. Company also agrees that it will not contest your application for unemployment compensation benefits. Company agrees that it will indemnify you from any third party claims brought against you in your capacity as a former Company employee to the extent permitted by Company's organizational documents and operating agreement, consistent with the indemnification terms extended to other Company employees.

7. In consideration for the benefits to be provided to you as listed in Sections 3 and 6 of this Agreement, you hereby release Company, its managed retirement communities, their owners, members, directors, officers, employees, agents, insurers, employee benefit plans and fiduciaries/ administrators of such plans, and all related or affiliated persons or entities (collectively the "Released Parties") of and from any and all known and unknown liability, claims, causes, demands, attorneys fees, damages, and rights, including, but not limited to, any claims which you have or may have arising out of or related to your employment, including the separation of your employment through the date of this Agreement. This waiver and release includes all rights and obligations under any federal, state, or local laws, regulations, ordinances, or common law, including but not limited to all employment discrimination laws such as Title VII of the Civil Rights Act of 1964, as amended, the Maryland Human Rights Act and any State of Massachusetts equal employment laws or non-discrimination laws, the Age Discrimination in Employment Act of 1967 ("ADEA"), the Family & Medical Leave Act, the Worker Adjustment and Retraining Notification Act ("WARN"), the Americans with Disabilities Act of 1990, Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974 ("ERISA"), and all other employment laws, claims for wrongful discharge, claims of unfair dealing, claims in connection with any employment contract, and claims for personal injury, emotional distress, pain and suffering, compensatory or punitive damages.

8. You agree that you have not filed nor commenced any charges, complaints, claims, civil actions or other proceedings against the Released Parties in any federal, state, local or other agency, court, or tribunal. You agree not to seek or request damages in connection with any other claim, demand or charge against the Released Parties. This Agreement is not intended to interfere with any right you have to file a charge with any federal, state or local governmental agency, except that you agree that by entering into this Agreement, you waive any claim to recovery of any remedy beyond what is provided in this Agreement. You also agree that you have not been denied any leave requested under the Family and Medical Leave Act or any applicable state/ local leave laws. Nothing in paragraphs 7 or 8 shall preclude you from bringing an action to enforce the terms of this Agreement or to challenge the validity of this Agreement.

9. You agree that you had the opportunity to report to Company any violations of the Corporate Compliance Plan during your employment and you further agree that you have no knowledge of any violations of the Plan except as otherwise reported. You agree that your obligations under this Agreement are material obligations on which Company is reasonably relying. If you breach your obligations under this Agreement, Company may immediately suspend or terminate its own obligations under the Agreement, including but not limited to, its obligations to pay any and all compensation or other amounts listed in Section 3 of this Agreement or pursue an action to recover any such compensation paid or enforce performance of this Agreement.

10. This Agreement shall not be in any way construed as an admission by Company, its owners, members, directors, officers, employees, or agents of any liability, wrongdoing, discrimination, fault, or breach.

11. You are advised to consult with an attorney concerning this Agreement. In accordance with current legal requirements under the Older Workers' Benefit Protection Act, this offer will be held open for no more than forty-five (45) days from June 23, 2009. If you do not sign and return the Agreement within the 45 day period, the offer will automatically expire. You may use as much of this 45-day period as you wish before signing. In addition, you may revoke this Agreement any time within seven (7) days after you sign the Agreement. To be effective, any revocation must be in writing and must be delivered within seven (7) days after your signature to the following address: Erickson Retirement Communities, 701 Maiden Choice Lane, Baltimore, Maryland 21228, Attn: General Counsel. Required information on this April 2009 Reduction in Force Program is included for your consideration in attached Schedules 1 and 2.

12. Your signature confirms that you are entering into this Agreement voluntarily, you understand all of its terms, and that you are not relying upon any other representations or agreements of Company except for those expressly set forth in this Agreement. Once signed, this Agreement will set forth the entire agreement between Company and you and supersedes any previous agreements or discussions concerning your employment or the termination thereof, except as expressly noted above. No changes in this Agreement will be valid unless in writing and signed by both parties. In the event that any one or more of the provisions of this Agreement other than the general release language in Section 7 shall for any reason be held to be invalid, illegal or unenforceable, the invalidity, illegality, or unenforceability shall not affect any other provision, and the Agreement shall be construed as though it had not contained the invalid, illegal, or unenforceable provision.

13. Any need for interpretation or enforcement of this Agreement will be in accordance with Maryland law, without regard to its conflict of laws provisions. Company and you agree that any action or proceeding relating to the enforcement of this Agreement will only be brought in the courts of Baltimore County, Maryland or in the U.S. District Court for the State of Maryland. Company and you further agree that any such action or proceeding will be heard without a jury or an advisory jury. You and Company waive your respective rights to bring any such action or proceeding in any other jurisdiction, or to have any such action or proceeding heard before a jury or an advisory jury.

PLEASE READ THIS AGREEMENT CAREFULLY. IT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS AS OF THE DATE OF THIS AGREEMENT. BY SIGNING BELOW, YOU ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT, UNDERSTAND IT, AND ARE VOLUNTARILY ENTERING INTO IT.

Witness:

Deborah Lawrence

W. Scott Hayward
Employee Signature
W. Scott Hayward
Date: 8.19.09

Witness:

Erickson Retirement Communities, LLC

Signed by: _____
Printed Name: _____
Date: _____

**EXHIBIT A
REQUIRED REDEMPTIONS FOR 2005 GPP**

1. Shares redeemed and paid to Hayward to date:

January 31, 2006:	\$100,000.00
January 31, 2007:	\$100,000.00

2. Shares to be redeemed per terms of plan

Payment due January 31, 2008:	\$100,000.00
Payment due January 31, 2009:	\$100,000.00
Payment due January 31, 2010:	\$100,000.00
Payment due January 31, 2011:	\$ 79,946.70

REDEMPTION AGREEMENT

This REDEMPTION AGREEMENT (this "Agreement") is made and entered into this 30th day of August, 2005, by and between ERICKSON GROUP, LLC (formerly known as Senior Campus Living Holdings, LLC) (hereinafter "Group"), ERICKSON RETIREMENT COMMUNITIES, LLC, (formerly known as Senior Campus Living, LLC, and a wholly owned subsidiary of Group) (hereinafter, "Erickson"), and SCOTT HAYWARD (hereinafter referred to as "Employee").

RECITALS

A. Erickson has in the past entered into Employment Agreements with certain key employees (each, an "Employment Agreement").

B. In 1998, Group instituted the Growth Participation Plan (the "GPP") in order to promote the long term growth and profitability of Group and its affiliates, including Erickson, pursuant to that certain document entitled "Senior Campus Holdings, L.L.C. Growth Participation Plan", as such document has been subsequently amended (together with all amendments thereto, the "GPP Agreement").

C. Pursuant to that certain Group Second Amended and Restated Operating Agreement dated March 2, 1999 (together with all amendments thereto, the "Group Operating Agreement"), Group established a class of membership interests in Group known as Class B Members, which interests were divided into shares (the "Class B Shares").

D. As of the date of this Agreement, Employee has been granted the number of Equity Units under the GPP shown in Section 2 of Exhibit A attached hereto, and the number of Class B Shares shown in Section 3 of Exhibit A attached hereto.

E. The parties hereto desire to terminate the Employee's Employment Agreement (if applicable), and to memorialize their agreements with respect to Employee's Equity Units and Class B Shares.

F. Capitalized terms used herein and not otherwise defined in this Agreement shall have the meaning given such term in the GPP Agreement, unless the context clearly indicates otherwise.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged; the parties agree as follows:

1. Exhibit A attached hereto identifies if Employee has an Employment Agreement. If Employee has an Employment Agreement, the parties hereto agree that effective as of the date hereof, the Employment Agreement is hereby terminated and neither party thereto shall have any

further rights or obligations thereunder, and from this date forward Employee shall be an employee of Erickson at will.

2. In the event that Employee's employment at Erickson is hereinafter terminated by Erickson, any severance terms that Erickson may offer Employee shall be on terms consistent with Erickson's then current practices and procedures.

3. Notwithstanding the foregoing paragraph or anything to the contrary contained in the GPP Agreement or the Group Operating Agreement, the parties hereto acknowledge and agree that upon any severance of Employee's employment from Erickson (for any reason other than Cause) that occurs between the Put Periods established under the GPP, that the value of Employee's then held Equity Units shall equal (i) the Fair Value per Equity Unit for the Put Period immediately preceding separation of employment, plus (ii) the pro-rated portion of any increase or decrease in the Fair Value per Equity Unit, pro-rated based on the number of days worked/elapsed between Put Periods. In the event of any severance of employment due to Cause, Employee's then held Equity Units shall be disposed of in accordance with the terms of the GPP Agreement, and the Employee's Class B shares shall be disposed of in accordance with the Group Operating Agreement.

4. Employee hereby elects to redeem the number of Equity Units designated in Section 4 of Exhibit A attached hereto and the number of Class B. Shares designated in Section 5 of Exhibit A attached hereto. Employee and Erickson agree that the Equity Units and the Class B Shares being redeemed have the value set forth in Section 6 of Exhibit A attached hereto, and that such sum shall be paid to Employee by Erickson in accordance with Section 7 of Exhibit A.

5. Notwithstanding anything herein to the contrary, no payment shall be made under this Agreement that would cause the Group or Erickson or any Affiliate to violate any banking agreement or loan or other financial covenant or cause default of any senior indebtedness of the Group or Erickson or any Affiliate, regardless of when such agreement, covenant or indebtedness was created, incurred or assumed. Any payment under this Agreement that would cause such violation or default shall be deferred until, in the sole discretion of the Administrator, such payment shall no longer cause any such violation or default. Any payment deferred in consequence of the provisions of the preceding sentence shall bear simple interest from the date such payment would otherwise have been made to the date when such payment is actually made, at the rate of 9% per annum.

6. It is further understood and agreed that no promise, inducement, or agreement not herein expressed has been made, and further that this Agreement contains the entire agreement of the parties. Employee further states that Employee has carefully read this Agreement, knows the contents, and understands the same, and signs this agreement as Employee's voluntary act and deed.

7. This Redemption Agreement embodies the entire agreement between Group, Erickson and Employee and may only be modified by a writing signed by all the parties hereto.

8. Except as expressly provided in this Agreement to the contrary, the GPP Agreement, including any amendments made subsequent to the date hereof, shall control Employee's rights with respect to unredeemed Equity Units, and the Group Operating Agreement, including any amendments made subsequent to the date hereof, shall Control Employee's rights with respect to unredeemed Class B Shares.

WITNESS:

Melissa L. Ryan

WITNESS:

Lisa A. Hoos

Lisa A. Hoos

EMPLOYEE:

By: Scott Hayward
Name: Scott Hayward

ERICKSON RETIREMENT COMMUNITIES, LLC

By: Jeffrey A. Jacobson
Name: Jeffrey A. Jacobson
Title: Executive Vice President - CFO

ERICKSON GROUP, LLC

By: Jeffrey A. Jacobson
Name: Jeffrey A. Jacobson
Title: Treasurer

SCOTT HAYWARD

Scott Hayward	<u>Units</u>	<u>Value</u>
GPP – Directly Owned	1,166	1,226,329.00
Total Units/Value	<u>1,166</u>	<u>1,226,329.00</u>
Permitted to Keep	<u><750></u>	788,805.00
Required to Redeem	<u>416</u>	437,524.00

Payment Schedule

January 31, 2006	Interest Payment	29,533.00
	Balance	<u><100,000.00-></u>
January 31, 2007	Interest Payment	367,057.00
	Balance	<u>33,035.00</u>
January 31, 2008	Interest Payment	<u><100,000.00-></u>
	Balance	300,092.00
	Interest Payment	36,008.30
	Balance	<u><100,000.00-></u>
January 31, 2009	Interest Payment	236,100.30
	Balance	21,249.00
	Interest Payment	<u><100,000.00-></u>
	Balance	157,349.30
January 31, 2010	Interest Payment	14,161.40
	Balance	<u><100,000.00-></u>
	Interest Payment	71,510.70
	Balance	6,436.00
January 31, 2011	Interest Payment	<u><79,946.70></u>
	Balance	Ø