

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):

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

Name and address where notices should be sent:

20835747002616
KELLY, CATHERINE M
1 EAST FLORIDA AVE
BEACH HAVEN PARK, NJ 08008

YOUR CLAIM IS SCHEDULED AS:
Schedule/Claim ID: s2020
AMOUNT/CLASSIFICATION
\$29,184.00 UNSECURED

Court Claim Number:
(If known)

Filed on:

Name and address where payment should be sent (if different from above):

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.

Telephone number:

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

1. Amount of Claim as of Date Case Filed: \$ 29,184.00

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.

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.

Specify the priority of the claim.

2. Basis for Claim: salary-severance + earned vacation time
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: 0332

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

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).

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

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.

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

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).

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

Amount entitled to priority:

\$ 10,950.00

\*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.

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

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BMC GROUP

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: \$

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

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.

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

If the documents are not available, please explain:

Date: 12/31/09

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.

Catherine M. Kelly

Catherine M. Kelly

FOR COURT USE ONLY

Erickson Ret. Comm. LLC



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severenc  
owed

TO: Catherine Kelly  
DATE: September 15, 2009  
RE: Separation Agreement and Release

This agreement (the "Agreement") sets forth the terms and conditions for your separation from employment with Erickson Retirement Communities ("Erickson").

1. Our records will reflect that you were separated from employment as of October 2, 2009 (the "Effective Date"). You will remain employed through the Effective Date subject to our normal standards of conduct. If you prefer, you may choose to resign or retire as of the Effective Date. You will receive a final paycheck for your wages, minus taxes, deductions, and withholdings, through the Effective Date at your current 2009 salary level, on the normal Erickson pay-dates. Your current benefits package remains in effect through the end of October 2009 with the standard payroll deduction. You will also receive a check for any accrued, unused PTO hours, minus taxes, deductions, and withholdings, you have as of the Effective Date on the next regular payday after the Effective Date.

2. If you currently participate in our benefits plan, beginning November 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, Erickson 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. 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; however, this doesn't affect your vested retirement benefits nor any rights you have to continue your health insurance under COBRA.

- 16 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 Erickson's regular pay dates. These payments will start on the later of: (i) the first pay period following the eight (8) days after your signature of this Agreement; or (ii) the first pay period after the Effective Date.
- We will arrange and pay for outplacement services through A.J. O'Connor Associates, Inc.
- If you participate in Erickson's 401k plan, you are fully vested in the employer's matching contributions towards your plan. Per the terms of the plan, you cannot make any further contributions during the separation pay period.

4. You agree to return promptly all of Erickson's and Seabrook'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 Erickson or its managed retirement communities, their members, subsidiaries, or affiliates. You agree to submit any expenses which you believe are reimbursable business expenses to Erickson within 30 days from your separation date. Erickson will only reimburse business expenses that are timely, genuine and reasonable, and supported by documentation as determined by Erickson. You agree to refrain from disclosing any of Erickson's or Seabrook's trade secrets, business practices, proprietary information or confidential information which you acquired during the course of your employment with Erickson. 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.

5. You agree not to communicate any derogatory or defamatory information concerning Erickson, its managed retirement communities, including their directors, officers, and employees to any other person or entity. Erickson agrees not to condone its managers communicating any derogatory or defamatory information concerning you to any other person or entity. If Erickson becomes aware of such conduct, Erickson will make a prompt and good faith effort to stop same. Erickson also agrees that it will not contest your application for unemployment compensation benefits.

6. In consideration for the benefits listed in Sections 3 and 5 of this Agreement, you hereby release Erickson Retirement Communities, LLC, Seabrook Village, Inc., 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. 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, the New Jersey Law Against Discrimination, the Age Discrimination in Employment Act of 1967 ("ADEA"), the Family & Medical Leave Act, 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.

7. 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. This paragraph does not preclude you from bringing an action to enforce the terms of this Agreement or to challenge the validity of this Agreement.

8. You agree that you had the opportunity to report to Erickson 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 Erickson is reasonably relying. If you breach your obligations under this Agreement, Erickson 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.

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

10. 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 twenty-one (21) days from the date of this Agreement first listed above. If you do not sign and return the Agreement within the 21 day period, the offer will automatically expire. You may use as much of this 21-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.

11. 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 Erickson except for those expressly set forth in this Agreement. Once signed, this Agreement will set forth the entire agreement between Erickson 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 6 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.

12. Any need for interpretation or enforcement of this Agreement will be in accordance with Maryland law, without regard to its conflict of laws provisions. Erickson 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. Erickson and you further agree that any such action or proceeding will be heard without a jury or an advisory jury. You and Erickson 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.

January 1, 2010

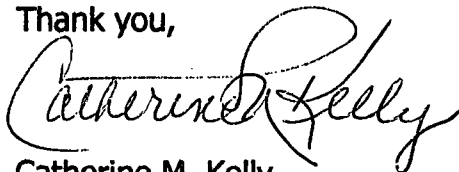
BMC Group Inc  
Attn: Erickson Retirement Communities LLC  
Claims Processing  
18750 Lake Drive East  
Chanhassen, MN 55317

Dear Sirs,

Please find enclosed the three claims for outstanding items owed me by Erickson and supporting documentation.

Also enclosed are self addressed stamped envelopes for a filed stamped copy of the proof of claim to be returned to me.

Thank you,

A handwritten signature in cursive script that reads "Catherine M. Kelly". The signature is written in black ink and is positioned above the printed name and address.

Catherine M. Kelly  
1 East Florida Avenue  
Beach Haven Park, NJ 08008