

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):

MICHAEL E. CONORD

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

Name and address where notices should be sent:

20835747007377
CONORD, MICHAEL E G
1916 AQUINAS DRIVE
GAMBRILLS, MD 21054

YOUR CLAIM IS SCHEDULED AS:
Schedule/Claim ID: s2500
AMOUNT/CLASSIFICATION
\$1,038,886.23 UNSECURED
[Contingent/Unliquidated/Disputed]

Court Claim Number: (If known)

Filed on:

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

MICHAEL E. CONORD
8728 SAGE BRUSH WAY
COLUMBIA, MD. 21045

RECEIVED

JAN 11 2010

BMC GROUP

Telephone number:

443-542-9853

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: \$ 1,038,886.25

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: GROWTH PARTICIPATION PLAN - Some of which WAS EARNED BUT DEFERRED. SEE ATTACHED!

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

3. Last four digits of any number by which creditor identifies debtor: 2977 - my SSN

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: 3375 ERICKSON'S FEB. I.D. #

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

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).

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

Amount entitled to priority:

\$

*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.

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: 1/5/10

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.

MICHAEL E. CONORD

Michael E. Conord

FOR COURT USE ONLY

Erickson Ret. Comm. LLC



00336

PROOF OF CLAIM
ERICKSON RETIREMENT COMMUNITIES, LLC

#2. BASIS OF CLAIM

To Whom It May Concern:

As indicated on the official Proof of Claim form, the basis of my claim is the stated value in the Growth Participation Plan. (\$1,038,886.23) For your consideration, I would like to emphasize the distinctive nature of a large portion of this GPP total. Please refer to the blue chart in which Erickson outlines the several different categories of funds owed to me.

The value represented here was earned by me over 13 years of employment with Erickson, 12 of these years as a Vice President.

Two of the categories consist of values that have yet to be paid out to any employees, namely, the NEW PLAN TOTAL CURRENT VALUE (\$45,000) and the 2009 SCHEDULED PAYMENT ON THE Old Plan (\$255,326.25).

However, two of the categories consist of values that WERE PAID OUT TO ALMOST ALL EMPLOYEES at various times in the past. These are the TOTAL FOUNDERS AND VP PAYMENTS (OLD PLAN) (\$505,349.70) and the PEN CAL ACCT with other deferred amounts (\$263,210.28)

Because the company needed cash at the time and I did not need my payout until closer to retirement age, I (and a handful of others) DEFERRED PAYMENT on these amounts, leaving it for Erickson to invest in new properties while most others took their cash payout.

As you judge the merits of the various credit claims, I would respectfully ask that you consider the difference between GPP values that were never paid out, and those that were earned and paid out, but deferred by a few loyal employees. As an individual 59 years of age, these are significant amounts which will drastically affect my retirement future.

Thank you!

Michael E. Conord

ERICKSON'S STATEMENT OF MY TOTAL GAP VALUE, MADE UP OF DIFFERENT TYPES OF CATEGORIES. M. Conord

EmplID	Last Name	First Name	Date of Hire	Date of Term	New Plan Total Current Value	Remaining VP (Old Plan)	Total Founders and VP Pymts (Old Plan)	2009 Scheduled Payment (Old Plan)	Pen Cal Acct Balance as of 9/30/2009 (holds deferred, vested & unvested amts.)	Total Old Plan (pre 2006)	Total Old & New Plan
005014	Conord	Michael	06/12/95	12/30/08	45,000.00	505,349.70	505,349.70	225,326.25	263,210.28	993,886.23	1,038,886.23



MICHAEL CONORD <mike.conord@gmail.com>

FW: Conord GPP value.xls

1 message

Annapolis.ED <Annapolis.ED@sunriseseniorliving.com>

Wed, Dec 23, 2009 at 11:49 AM

To: mike.conord@gmail.com

Mike

Michael E. Conord

Sunrise of Annapolis

800 Bestgate Road

Annapolis, MD 21401

410-266-1400

443-481-7310 (cell)

To Champion Quality of Life for all Seniors

→ **From:** Gary Cole [mailto:Gary.Cole@erickson.com]
Sent: Wednesday, December 23, 2009 11:46 AM
To: Annapolis.ED
→ **Subject:** Conord GPP value.xls
Sensitivity: Confidential

Mike-

It was good talking with you. The file is attached; let me know if you have any questions.

SEE PREVIOUS PAGE.

Merry Christmas!

Gary

Sunrise Senior Living offers the finest senior living and care options to seniors and their families. Learn more about Sunrise at <http://www.sunriseseniorliving.com>

This communication contains information from Sunrise Senior Living that may be confidential. Except for personal use by the intended recipient, or as expressly authorized by the sender any person who receives this information is prohibited from disclosing, copying, distributing and or using it. If you have received this communication in error, please immediately delete it and all copies and promptly notify the sender.



Conord GPP value.xls

23K

TO: Michael Conord
FROM: Steve Dollase
DATE: December 3, 2008
RE: Separation Agreement and Release

This memorandum will confirm the agreement concerning your separation from employment with Erickson Retirement Communities, LLC ("Erickson") and sets forth the terms and conditions of the agreement.

1. The records of Erickson will reflect that your position was eliminated, effective December 31, 2008. You will remain an employee, subject to the normal rules and standards of conduct for employees, through December 31, 2008. You will receive a paycheck for your regular wages, applicable taxes and withholdings deducted, through December 31, 2008 on the regular paydates for Erickson. After December 31, 2008, you will receive a check for your accrued PTO hours through December 31st, if any, on the next regular paydate for Erickson, applicable taxes and withholdings to be deducted.

2. In addition, Erickson will provide the items listed in this Section 2. You will not be entitled to any other or further compensation, remuneration, payments or benefits of any kind; however, nothing in this paragraph is intended to divest you of any retirement benefit in which you have a vested right, nor is it intended to affect any rights and entitlements you have to health insurance continuation under COBRA.

(a) Beginning the later of: (i) the first pay period after eight (8) days after your signature of this Agreement, or (ii) the first pay period after January 1, 2009, Erickson will provide you forty (40) weeks of separation pay at your regular 2008 salary less applicable income tax withholdings and other standard payroll deductions. The separation pay will be made in bi-weekly payments in accordance with Erickson's regularly scheduled pay dates. You will not be eligible for a pay raise in 2009.

(b) Your current health benefits package will remain in effect through the end of December 2008 with the standard payroll deduction. Beginning in January 2009, you are eligible to continue your current health benefits package under COBRA. If you elect to continue your current health benefits under COBRA, Erickson will continue to pay its current portion of the cost of your current health benefits under COBRA during the separation pay period, and you will be responsible for the remainder of the costs of maintaining your health benefits under COBRA. After the final payment of the separation pay, you will be responsible for the entire premium under COBRA.

Roll over?

(c) It is agreed that you are 100% vested in the employer's matching contributions towards your 401k plan. Per the terms of the plan, you cannot make any further contributions during the separation pay period



(d) It is agreed that you are fully vested in your Growth Participation Plan Units under the terms of the old 2005 plan. Your Growth Participation Units will be redeemed per the terms of the Growth Participation Plan. You have already received redemption checks in 2006, 2007, and 2008, each for 1/4 of the value of your Units. You will receive 1 more check to complete the redemption of your 2005 Units in the summer of 2009. Additionally, you will receive the 2007 value for the units under the new GPP plan that were issued to you. All payments of GPP value will be made per the terms of the plans. PAID AS THEY MATURE

(e) Erickson will provide one original reference letter signed by _____ with language that is mutually agreed upon.

(f) Erickson will provide outplacement services to you through its regular contractor in Maryland. If you wish to utilize this benefit, you must begin the service no later than 20 days from your separation date.

(g) Erickson will remit a bonus, less applicable taxes and withholdings, to you on the normal bonus pay-out date for Erickson in 2009. The amount of the bonus will be determined by the standard components for the Erickson bonus program, taking into consideration personal performance, department performance, and company performance.

3. You agree to return promptly all of Erickson's property including, but not limited to, your employee identification card, parking pass, laptop, blackberry/ phone, equipment, supplies, and any and all documents and files concerning residents, employees, vendors, services, products, software, technical and business information prepared for or by Erickson or its managed retirement communities. You agree to keep confidential any trade secret and any business, proprietary, confidential, or copyrighted information of Erickson or its retirement communities which you acquired in connection with your employment. You also agree not to provide any information in whatever form about Erickson's business practices, policies, claims, or other confidential information which you acquired in connection with your employment to any person, unless required by law.

4. Except as required by law, you agree to keep the terms of this Agreement completely confidential, and further agree not to disclose the terms and conditions of this Agreement or the existence of this Agreement to anyone including, but not limited to, any past, present, or prospective employees or applicants for employment with Erickson; provided, however, that this restriction shall not apply to disclosure by you to your attorney, your tax advisor, or your spouse, as applicable.

5. You agree not to communicate any derogatory or defamatory information concerning Erickson, including its members, directors, officers, employees, or agents, to any persons, corporations, or other entities. Erickson agrees not to communicate any derogatory or defamatory

A

information concerning you to any persons, corporation, or other entity. Erickson also agrees that it will not contest your application for unemployment compensation benefits.

6. In consideration for the separation pay, bonus, contribution towards your benefits, outplacement services, and reference letter, you hereby release Erickson, its members, directors, officers, employees, agents, and all related or affiliated persons or entities (collectively the "Released Parties") of and from any and all liability, claims, causes, demands, obligations, attorneys fees, actions, contracts, torts, promises, damages, and rights, arising as of the date of this release, which you have or may have arising out of or related to your employment, including the termination 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 Age Discrimination in Employment Act (ADEA), the Americans with Disabilities Act, 42 U.S.C. Section 1981, and all other employment laws, all claims for wrongful discharge, all claims that the persons or entities released in this paragraph dealt unfairly with you, in bad faith, or in violation of any employment agreement, express or implied, and all claims for personal injury, emotional distress, pain and suffering, compensatory and/or punitive damages.

7. You further 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 or local agency, court, commission or other tribunal. You further agree not to seek or request damages in connection with any other claim, demand or charge that may be filed with any federal, State or local agency, court, commission or other tribunal against the Released Parties. This Agreement is not intended to interfere with any right you may have to file a charge with any federal, state or local governmental authority, except that you understand and agree that by entering into this Agreement, you waive any claim to recovery of any remedy beyond what is provided in this Agreement. Furthermore, you affirm and acknowledge that you have not been denied any leave requested under the Family and Medical Leave Act or any applicable state or local acts providing for leave. 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 Erickson Corporate Compliance Plan of which you had knowledge either during your employment or as part of your exit interview. You hereby further agree that you had no knowledge of any violations of the Plan except as otherwise reported.

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

10. You have the right to consult with an attorney concerning this Agreement, if you believe that is appropriate. 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 memorandum after which time the offer will 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 it is signed by you. Any revocation must be in writing and delivered to me within seven (7) days in order to be effective.

11. Your signature will confirm that you are entering into this Agreement voluntarily and with the full understanding of all the above terms, and that you are not relying upon any representations, statements or agreements of Erickson as a basis for entering into this Agreement except for those expressly set forth in this Agreement. In addition, once signed, this Agreement will set forth the entire agreement between Erickson and you. It will supersede 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. Any need for interpretation or enforcement of this Agreement will be in accordance with Maryland law, without regard to its conflict of laws provisions, and venue for any action shall solely be in Baltimore County, Maryland. In the event that any one or more of the provisions of this Agreement 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.

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:

Michael Conord

Michael Conord

Date: 12/3/08

Witness:

Erickson Retirement Communities, LLC

[Signature]

By: [Signature]

Date: 12/3/08

~~I may retain phone + computer for the duration of this agreement.~~
2).

Memorandum

ORIGINAL PLAN
COMPANY
REDEEMS SOME
SHARES.
2005

To: Jeff Jacobson
CC:
From: Mike Conord
Date: 7/15/2005
Re: GPP

Jeff,

Thanks for your review and guidance on the subject of GPP. I would be pleased if my account could be handled as follows:

- 1) Payout of \$15,000 immediately with normal taxes withheld.
- 2) Payout of \$5,000 each year with normal withholding.
- 3) Otherwise, all funds held at 9% for 5 years, assuming both the principle and interest will compound at that rate.
- 4) If employment ends before the 5 year anniversary, all funds would be paid out at the time of separation.

(See schedule A for PAYMENT SCHEDULE)

Thanks.

Mike Conord

CONFIDENTIAL

REDEMPTION AGREEMENT

This REDEMPTION AGREEMENT (this "Agreement") is made and entered into this 3rd day of July, 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 MICHAEL CONORD (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:

Lisa A. Hoos

EMPLOYEE:

By: Michael Conord
Name: Michael Conord

WITNESS:

Lisa A. Hoos

ERICKSON RETIREMENT COMMUNITIES, LLC

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

ERICKSON GROUP, LLC

Lisa A. Hoos

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

SCHEDULE A

1. Employment Agreement: Yes dated January 21, 1997
2. Equity Units granted and outstanding: See Attached
3. Class B Shares granted and outstanding: None
4. Number of GPP Units being redeemed and strike price per Equity Unit: See Attached

	Equity Units At \$		
	Equity Units At \$		per Equity Unit
	Equity Units At \$		per Equity Unit

5. Number of Class B Shares being redeemed and strike price per Class B Share:

Ø Class B Shares At \$0.00 per Class B Share.

6. Total value of redeemed Equity Units and Class B Shares: \$368,109.00

7. Payment Terms:

Interest of the outstanding value of the redeemed but unpaid Equity Units shall accrue interest at the rate of 9% per annum, commencing on May 1, 2005. Payments made on account of redeemed Equity Units shall be applied first to accrued interest, and then to the outstanding value of redeemed but unpaid Equity Units.

Erickson agrees to make payments on account of the redeemed Equity Units as follows:

July 31, 2005 - \$	35,000.00
July 31, 2006 - \$	5,000.00
July 31, 2007 - \$	5,000.00
July 31, 2008 - \$	5,000.00
July 31, 2009 - \$	5,000.00
July 31, 2010 - \$	<u>500,349.70</u>
Total	\$555,349.70

If employment ends before the 5 year anniversary, all funds would be paid out at the time of separation.

MICHAEL CONORD

Michael Conord	<u>Units</u>	<u>Value</u>
GPP – Directly Owned	1,100	1,156,914.00
	1,100	<u>1,156,914.00</u>
Total Units/Value		
Permitted to Keep	<750>	788,805.00
Required to Redeem	<u>350</u>	368,109.00
Payment Schedule		Interest 8,282.50
	July 31, 2005	Payment <35,000.00>
		Balance 341,391.50
	July 31, 2006	Interest 30,725.25
		Payment <5,000.00>
		Balance 367,116.75
	July 31, 2007	Interest 33,040.50
		Payment <5,000.00>
		Balance 395,157.25
	July 31, 2008	Interest 35,564.15
		Payment <5,000.00>
		Balance 425,721.40
	July 31, 2009	Interest 38,315.00
		Payment <5,000.00>
		Balance 459,036.40
	July 31, 2010	Interest 41,313.30
		Payment <500,349.70>
		Balance \emptyset

Dear :

As you are now aware, big changes are ahead for the Growth Participation Plan (GPP). As we prepare for the new vision of the Plan, we prepare for the payout of the existing unit grant values.

With the establishment of the new unit value of \$1201.74, your total unit grant(s) is now worth \$ _____. As announced, we will begin to pay out your unit grant in the existing plan over a four year period starting on May 18. The initial installment on your payout is \$ _____. The remaining unit grant will earn interest at a rate of 9% until the final installment, scheduled to be paid in 2009.

As a vested employee, the payout will be sent to you as ordinary payroll checks are. One difference is that this will be a live check, even if your regular paycheck is normally deposited directly with your bank.

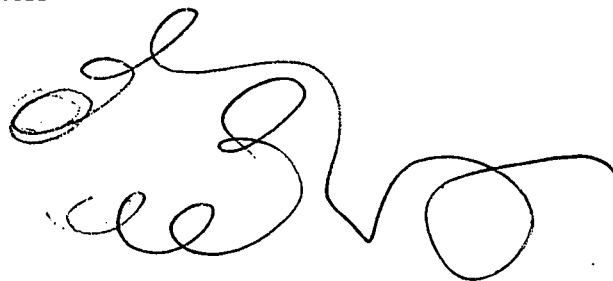
If you have any questions about your vesting date or the value of your unit grant, please contact your Human Resources department.

All funds paid out of the GPP are paid as ordinary earnings and will be taxed accordingly. We will be providing financial planning resources to help you plan how to invest the proceeds of the GPP. We will forward additional information in the coming weeks. Please remember that you have an hour of time with a financial advisor available through the Employee Help Line. Just call 1-888-300-0431 to arrange an appointment.

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

Sincerely,

The Plan Administrators

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.



March 5, 2009

To: Participants in the Erickson pre-2006 Growth Participation Plan (GPP)

From: Rick Grindrod

As a vested participant in the GPP, you were scheduled to receive your fourth and final payment from the plan during 2009. In accordance with the plan document, Erickson is notifying you of its intent to defer your final GPP distribution and does not expect to make this payment in 2009.

Erickson, like many companies, is facing short-term challenges as a result of the current economic downturn. The decision to defer this distribution is necessary to maintain our commitment to provide a high level of affordable care to our 23,000 residents during the current economic climate. It also will help enable us to continue to fulfill our mission from a position of strength when the economy improves.

You may contact Mary Ann Lambrechts, GPP Plan Administrator, at 443-883-4829 or at maryann.lambrechts@erickson.com if you have any questions regarding the Erickson Growth Participation Plan.

Thank you for your understanding.

A handwritten signature in cursive script that reads "Rick".

Bruce R. Grindrod, Jr.
President and CEO



August, 2008

Michael Conord
 1916 Aquinas Dr
 Gambrills, MD 21054-1944

Re: Erickson Growth Participation Plan

We are pleased to provide this informational packet summarizing your units held in the Erickson GPP as of August 2008. The information below summarizes units granted to you since 2006. Units being granted in 2008 have been pro-rated for those who became newly eligible or received an increased Unit Level during 2007. Updated values are announced annually to those who remain eligible participants.

Please retain this statement with your important personal documents as a record of your account.

2008 GPP Statement

Units Granted In	Total Unit Level	Annual Unit Grant	Grant Value	Current Value	Estimated to Mature and be paid in
2006	750	187.5	\$170	\$31,875.00	2010
2007	750	187.5	\$ 70	\$13,125.00	2011
2008	750	187.5	\$ 0	\$0.00	2012
Total				\$45,000.00	

Please note that participants in the GPP prior to 12/31/2005 will receive the final annual payment in 2009. Future GPP informational events will be held later this year. In the meantime, if you have any questions about your GPP account, please contact Mary Ann Lambrechts, 443-883-4829 (600-4829) or at maryann.lambrechts@erickson.com.



New PLAN

June 15, 2007
Michael E Conord
CHAR

Dear Michael,

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. The grant issuance is 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.

→ 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

Account Balance

Print View Help

Balance as of: 08/15/2008

Balance by Investment				
Investment	Balance	Vested Balance	Number of Shares	Price per Share
Fidelity Advisor Equity Income	\$42,994.20	\$0.00	1,740.656000	\$24.70
Fidelity Advisor Growth Opportunities Fund	\$40,476.28	\$0.00	1,219.165000	\$33.20
Fidelity Advisor High Income Advantage Fund	\$42,690.54	\$0.00	4,660.539000	\$9.16
Fidelity Advisor Overseas	\$40,428.40	\$0.00	2,075.380000	\$19.48
Fidelity Advisor Short Fixed-Income Fund	\$71,963.19	\$0.00	8,040.580000	\$8.95
Fidelity Investments Spartan U.S. Equity Index Fund	\$43,538.55	\$0.00	946.696000	\$45.99
Confirmed total:	\$282,091.16	\$0.00		

Balance by Source				
Source	Balance	Vested Balance	Vested Percent	Number of Shares
☒ 2007 GPP Plan	\$282,091.16	\$0.00	0.00%	
Confirmed total:	\$282,091.16	\$0.00		



ERICKSON GPP PENCAL ACCOUNT

