B 10 (Official Form 10) (12/08)

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):

Name and address where notices should be sent:

20835747007683
PERRY, JANICE
6845 MOUNT VISTA RD
KINGSVILLE, MD 21087

YOUR CLAIM IS SCHEDULED AS:
Schedule/Claim ID: s2683
AMOUNT/CLASSIFICATION
$36,043.50 UNSECURED

FILED
JAN 27 2010
TAWANA C. MARSHALL, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

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

Court Claim Number:__________
(*If known*)

Filed on:__________

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

Telephone number: (H)(410) 592-9542 (W)(410) 882-3262 3415

☐ 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: $ 36,043.50

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.

2. Basis for Claim: Long Term Incentive Not paid (Growth Participation Plan)
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: 3395

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.

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: $**________

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FEB 01 2010
BMC GROUP

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.

☐ 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).

☐ 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:

$________

**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. 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.)*

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

If the documents are not available, please explain:

Date: 1/18/2010

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.

Janice M. Perry, RN, BSN   Janice M. Perry RN, BSN

FOR COURT USE ONLY
Erickson Ret. Comm. LLC
00734

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

Erickson®
Retirement Communities

August, 2008

Janice Perry
6845 Mount Vista Rd
Kingsville, MD 21087-1335

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	100	25	$170	$4,250.00	2010
2007	100	25	$ 70	$1,750.00	2011
2008	100	25	$ 0	$0.00	2012
Total				$6,000.00	

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.

Growth Participation Plan - Update

The Growth Participation Plan is a Long Term Incentive plan designed to reward key performers for their contribution to the success of the CompanyThe requirements for participation in the Plan are:

- Grade 29 and above
- Full-time - Must be full time service

Some Key GPP Terms for understanding the Plan:

- Unit Installments: The unit issuances staggered over a 4 year period
- Pro-Rated Installments: For newly hired or promoted employees, the first unit installment will be pro-rated based on the date of hire or promotion
- Total Unit Grants: The total of the staggered unit issuances
- Rolling Options: Thefour year growth period limit for the unit issuances
- Accumulated Value: The value of the issuance after the four year growth period

What is new about plan?

- It gives employees the benefit of a cash payout while they continue to benefit from the success of the company
- Increases the tangible value of the program
- 4 year rolling "options"
- First unit installment will be pro-rated based on the quarter in which the hire or promotion takes place
- Units phased in over 4 years
- Unit vesting shortened from 5 years to 4 - the original plan vesting remains at 5 years, the new plan is reduced to 4 years.
- Valuation shifts toward profit sharing
- Drive to more regular valuation

How is the plan valued?

- There are 3 indicators of performance:
    - Erickson's performance against goals for the current year;
    - The increase, if any, in the appraised value of Erickson;
    - The available cash from Operations (cash from Management, Development and Construction fees, less any cash used for overhead).
- The target for successful performance is an annual increase of $100 per New Participation unit. The Administrators will assess if Erickson's overall performance has met, will not meet, or exceeded the target based on at least the 3 performance indicators set out above. The New Participation Units granted in 2006 are deemed to have increased in value $100 per New Participation Unit.

GPP Q & A

- Is the GPP a "qualified plan" or a "non-qualified plan"?
  - **The GPP is a "non-qualified" plan.**

- Do we elect a beneficiary for the GPP distributions?
  - **Since the GPP is a "non-qualified" plan, there is no beneficiary designation.**

- How are the first unit installments pro-rated for newly hired or promoted employees?
  - **Going forward, the first unit installment will be pro-rated based on the quarter in which the hire or promotion takes place. If an employee is promoted to an eligible manager level position (eligible for 100 total units) in the first quarter they will receive 100% of their first installment (25 units); 75% if it is the second quarter (18.75units), 50% if it is the third quarter (12.5 units) and 25% if it is the fourth quarter (6.25 units).**

- Will 401k/403b be taken out of GPP Payouts?
  - **The GPP is paid as ordinary earnings. If you are a 403b or 401k participants, deductions will be made as you have instructed for all other earnings.**

- Can the money be rolled over to some kind of investment account?
  - **The GPP is a "non-qualified" plan and is paid out as ordinary earnings. It cannot be rolled over into an IRA or similar account.**

- Is there any way to reduce the tax impact?
  - **Generally, maximize your contribution to the 401k or 403b. 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.**

New Plan Example

Total Unit Grant		100						
2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Hired or	25	$100.00	$100.00	$100.00	$100.00			
Promoted	Installment				25	$100.00	$100.00	$100.00
		25	$100.00	$100.00	$100.00	$100.00		
		Installment				25	$100.00	$100.00
			25	$100.00	$100.00	$100.00	$100.00	
			Installment				25	$100.00
				25	$100.00	$100.00	$100.00	$100.00
				Installment				25
			Unit Installment		25.0	25.0	25.0	25.0
			Accumulated Value		$400.00	$400.00	$400.00	$400.00
				PAYOUT	$10,000.00	$10,000.00	$10,000.00	$10,000.00

ERICKSON RETIREMENT COMMUNITIES, LLC
AMENDED AND RESTATED GROWTH PARTICIPATION PLAN

THIS AMENDED AND RESTATED GROWTH PARTICIPATION PLAN (this "Agreement") is hereby entered into by Erickson Group, LLC ("Group"), Erickson Retirement Communities, LLC ("Erickson") and by the Administrators of the Plan effective as of the 1st day of January, 2006.

RECITALS

A. Group (formerly known as Senior Campus Holdings, L.L.C.) entered into the Growth Participation Plan (the "Original Plan") effective as of September 1, 1998.

B. The Original Plan was subsequently amended numerous times (as so amended the "Current Plan").

C. Group and Erickson desire to assign Group's rights and responsibilities under the Current Plan to Erickson.

D. The Administrators, with the consent of Group and Erickson, now desire to amend and restate in its entirety the Current Plan.

NOW, THEREFORE, the Current Plan, including the Original Plan and all amendments thereto, are hereby amended and restated in its entirety as follows:

ARTICLE I
Assignment

1.1 Assignment. Group hereby assigns to Erickson all of Group's rights, duties, responsibilities and liabilities under the Current Plan, and Erickson hereby accepts such assignment. In consideration of such assignment, Erickson agrees to defend, indemnify and hold Group harmless from and against any and all claims, demands, costs or expenses incurred or expended in connection with any claims by any Participant.

ARTICLE II
Purpose

2.1 Purpose. Erickson hereby establishes the Erickson Retirement Communities, LLC Growth Participation Plan (the "Plan"). The purpose of the Plan is to promote the long-term growth and profitability of Erickson by offering long-term performance-based incentive compensation to key executives of Erickson and its Affiliates who are largely responsible for the continued financial success of Erickson. Such performance-based incentive compensation shall be based upon the award of participation units ("Participation Units"), the value of which is related to the appreciation in the value of Erickson as determined under the Plan.

2.2 Continuation. The Plan is a continuation, amendment and restatement, of the Erickson Group, L.L.C. Growth Participation Plan, the provisions of which shall continue to control with respect to any awards outstanding thereunder as of January 1, 2006 ("Old Participation Units") except as expressly provided herein. The Plan is intended to comply with Code Section 409A, Internal Revenue Service Notice 2005-1, Internal Revenue Service Notice 2006-79, the proposed regulations issued under Code Section 409A and all other Internal Revenue Service guidance that may be issued thereunder (together referred to herein as "Section 409A"). The Plan shall be interpreted in accordance with Section 409A in any case in which there is any inconsistency between the Plan's terms and Section 409A, or otherwise.

ARTICLE III
Definitions

3.1 Definitions. Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) "*Administrators*" means the employees of Erickson holding the positions of (i) Chief Operating Officer, (ii) President of a division of Erickson and (iii) Chief Financial Officer.

(b) "*Affiliate*" means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, Erickson (including, but not limited to, joint ventures, limited liability companies, and partnerships). For this purpose, "control" shall mean ownership of 50% or more of the total combined voting power or value of all classes of stock or interests of the entity or other common contractual relationship.

(c) "*Board*" means the Board of Directors of Erickson.

(d) "*Cause*" means that any of the following has actually occurred: (i) the Participant engaging in any acts or omissions with respect to Erickson's or an Affiliate's business and affairs involving material dishonesty or acts of omissions with respect to Erickson's or an Affiliate's business and affairs that demonstrate a material lack of integrity; (ii) the conviction of the Participant of a felony; (iii) the Participant engaging in grossly negligent acts or omissions or willful or intentional failure to carry out written instructions of the Board which are within the scope of Participant's duties hereunder and which failure continues for more than ten (10) days after the Board serves Participant written notice of the same.

(e) "*Certificate*" shall mean a written document memorializing the terms and conditions of a grant of Original Participation Units pursuant to the Plan which shall be subject to the terms of the Plan. Except as may otherwise be specifically provided in any original certificates, any inconsistency between the Plan terms and Certificate terms will be controlled by the Plan terms.

(f) "*Change of Control*" means the consummation of:

(i) a merger, consolidation, share exchange, combination, reorganization, sale of equity securities, sale of membership interests or like transaction (but not a testamentary disposition or lifetime gift); or a series of like transactions in any twelve (12) month period, involving Group or Erickson in which the members of Group or Erickson, immediately following to such transaction do not own directly or indirectly at least fifty percent (50%) of the value or voting power of the issued and outstanding member interests of Group or Erickson, as applicable, or its successor;

(ii) the sale or transfer (other than as security for Group's or Erickson's obligations or by way of testamentary disposition or lifetime gift) of more than fifty (50%) of the assets or value or voting power of the issued and outstanding equity securities of Group or Erickson, as applicable, in any transaction, a series of related transactions, or a series of transactions occurring within a one-year period in which Group or Erickson, as applicable, any corporation or entity controlled by or controlling Group or Erickson, as applicable, or the members of Group or Erickson, as applicable, immediately prior to the transaction do not own at least fifty percent (50%) of the value or voting power of the issued and outstanding equity securities of the acquirer immediately after the transaction; or

(iii) any substantial complete liquidation or dissolution of Group or Erickson or distribution of Group's or Erickson's assets.

Provided, however, that a Change in Control shall not occur unless it is a "Change in Control in Section 3.1(f) to comply with Code Section 409A:

(g) *"Code"* means the Internal Revenue Code of 1986 and the regulations issued thereunder, as amended from time to time.

(h) "*Distributions*" means payments made under the Plan equal to up to 10% of the increase in the Pro Rata Value per Original Participation Unit in any given year.

(i) "*New Participation Unit*" means a Participation Unit issued from and after the effective date of this Agreement.

(j) "*Original Participation Unit*" means the Participation Units issued prior to the effective date of this Agreement, and known as "Equity Units" under the Original Plan.

(k) "*Participant*" means an individual who is eligible to participate in the Plan and who has been granted a Participation Unit pursuant to the provisions of the Plan.

(l) "*Participation Unit*" has the meaning given such term in Article II.

(m) *"Payment Date"* means the date on which a portion or all of a Participant's Plan benefits is to be paid or commence to be paid to the Participant in accordance with the Participant's election.

(n) "*Plan*" means the Erickson Retirement Communities, LLC Growth Participation Plan as set forth herein and as amended from time to time.

(o) "*Pro-Rata Value Per Original Participation Unit*" means the value assigned, from time to time, to Original Participation Units, reflecting the increase in value of the Plan since inception, as applicable to any single Original Participation Unit.

The pro-rata value as of the original Valuation Date of each Original Participation Unit granted in 1998 is deemed to be -0- per unit.

(p) "*Separation from Service*" has the meaning given to such term in Section 409A.

(q) "*Value*" of any Participation Unit means an amount determined as of a given Valuation Date equal to:

(1) For an Original Participation Unit, the Pro-Rata Value per Original Participation Unit in excess of the Pro-Rata Value per Original Participation Unit as of the original date of the grant of such Original Participation Unit.

(2) For a New Participation Unit, the aggregate increase in value of the New Participation Unit since the date of original award of such New Participation Unit, determined in accordance with Exhibit B.

(r) "*Unforeseeable Emergency*" has the meaning given such term in Section 409A of the Code.

(s) "*Valuation Date*" means the last day of each fiscal year of Erickson.

ARTICLE IV
Administration

4.1 Administration. Unless the Plan specifically states otherwise, a majority vote of the Administrators shall be required for all actions with respect to the Plan.

4.2 Powers of the Administrators. The Administrators shall have the authority, in their sole discretion and from time to time, consistent with the provisions of the Plan, to (i) select persons or classes of persons to participate in the Plan, (ii) grant awards of Participation Units under the Plan pursuant to Section 6.2 hereof, (iii) modify, extend or terminate outstanding Participation Units at any time with the consent of the holder of such Participation Units (except that the Administrators may make such modifications or terminations pursuant to section 9.5 without the consent of the holder of such Participation Units), (iv) administer the Plan, (v) make the annual valuation determination for New Participation Units in accordance with Section 6.2(e), and (vi) adopt, amend, or rescind such rules and regulations for carrying out the Plan consistent with the provisions set forth herein. Any determination of the Administrators hereunder shall be conclusive and binding on all Participants.

4.3 **Limited Liability**. Neither Erickson nor any Administrator or Board member shall be liable to any Participant for any action taken or decision made in good faith relating to the Plan or any Participation Unit granted thereunder.

4.4 **Indemnification**. The Administrators and the Board members shall be indemnified by Erickson in respect of all their activities under the Plan, to the maximum extent permitted by law and by Erickson's charter and by-laws.

4.5 **Non-Uniform Determinations**. The Administrator's determinations under the Plan need not be uniform and may be made by the Administrators selectively among persons who receive, or are eligible to receive, Participation Units under the Plan whether or not such persons are similarly situated.

ARTICLE V
Participation

5.1 **Participation**. Management employees holding the title of Manager and above as depicted on Exhibit A attached hereto shall be Participants. Participation in the Plan shall be open to other employees of Erickson and its Affiliates, as may be selected by the Administrators in their sole discretion from time to time.

ARTICLE VI
Participation Units

6.1 Original Participation Units.

(a) **Grant of Original Participation Units**. From and after the date hereof, no additional Original Participation Units shall be granted.

(b) **Vesting**. Participants shall first become vested for purposes of Original Participation Units on the earliest to occur of (i) Participant's completion of five (5) years of full time employment by Erickson or an Affiliate (whether before or after the effective date of the Plan) and (ii) the Participant's termination of employment (other than for Cause) by Erickson or an Affiliate within 180 days following a Change of Control. All other terminations of employment of an unvested Participant by Erickson or an Affiliate will result in all Original Participation Units held by such Participant being terminated and forfeited as well as forfeiting any and all Distributions. The Administrators, in their sole discretion, may accelerate vesting in whole or in part with respect to any Original Participation Unit at any time. Distributions shall be subject to the same vesting requirements as set forth in this Section 6.1(b). Any Distributions to unvested Participants will accumulate and be invested in investment plans selected by the Administrators. The Administrators may, but are not required to, make investment plans available to Participants for selection by such Participants for such Distributions. Accumulated Distributions shall be paid over, subject to applicable tax withholding requirements, as soon as practicable after the Participant becomes vested in the Original Participation Units to which such Distributions are attributable.

(c) **Pay Out**. Subject to the terms of this Plan, Original Participation Units shall be paid out in four installments commencing in May 2006 and annually thereafter, but in no event later than June 30 of each year. The actual payment date shall be selected by the Administrators. Such payments shall be paid out at the rate of 25% of the Value of all Original Participation Units held by such Participant as of the date of this Agreement, plus accrued interest at the rate of 9% per annum, payable in arrears on the Value of the Original Participation Units. Such interest shall be based on the unpaid Value of the Original Participation Units, and accrued from the date of the prior payment pursuant to this Section 6.1.(c). Payments for Original Participation Units held by unvested Participants shall accumulate and shall be invested in investment plans selected by the Administrators. The Administrators may, but are not required to, make investment plans available to Participants for selection by such Participants for such payments. Amounts so invested shall be paid out to the Participant on such Participant's vesting date.

(d) **Termination**. Except as provided in Section 5.1(b) above, Original Participation Units held by unvested Participants (including Distributions and sums paid out pursuant to Section 6.1(c) above) shall terminate in their entirety upon a Participant's termination of employment, or upon Participant's employment other than on a full time basis with Erickson or its Affiliates for any reason, unless determined otherwise by the Administrators with the consent of the Participant. In addition, unless determined otherwise by the Administrators, all outstanding Original Participation Units held by a Participant (whether vested or unvested) shall terminate in their entirety and be forfeited upon the Participant's termination of employment for Cause.

(e) **Valuation**. The Pro Rata Value per Original Participation Unit is fixed and shall not be increased. The Pro Rata Value per Original Participation Unit is $1,201.74.

6.2 New Participation Units.

(a) **Grant of New Participation Units**. The Administrators shall grant awards of New Participation Units to Participants on an annual basis, in accordance with the Annual Grants listed on the Schedule of Participation Unit Grants attached hereto as Exhibit A, which grant shall occur in no event later then June 30 each year. In addition to the Annual Grants specified on Exhibit A, the Administrators, may, in their sole discretion, award additional New Participation Units selectively among Participants or classes of Participants, based on such factors as exceptional performance, retention or recruitment, or any other factors deemed material by the Administrators. Any such award of additional New Participation Units to any Administrator must be approved by a unanimous vote of the Administrators.

Awards of New Participation Units shall be recorded in the personnel records of Erickson or its Affiliate. The Administrators may elect to issue ceremonial certificates to Participants to memorialize such grants, but in the event of any discrepancy between such certificate or Erickson or Affiliate's records, Erickson or Affiliate's records shall control.

(b) **Vesting**. Participants shall first become vested for purposes of New Participation Units upon the earliest to occur of (i) Participant's completion of four (4) years of full time employment by Erickson or an Affiliate (whether before or after the effective date of the Plan); and (ii) the Participant's termination of employment (other than for Cause) by Erickson or an Affiliate within 180 days following a Change of Control. All other terminations of employment of a Participant by Erickson or an Affiliate prior to vesting under this Section will result in all New Participation Units held by such unvested Participant being terminated and forfeited.

(c) **Pay Out**. New Participation Units shall mature and become payable to Participants in full on the fourth (4^{th}) year anniversary of the date on which such New Participation Units are awarded. The accumulated Value of such New Participation Units shall be paid to the Participants within thirty (30) days of maturity of such New Participation Units, subject to the terms of this Plan. New Participation Units that mature following a vested Participant's termination of employment (and subject to forfeiture in accordance with Section 6.2(f) below and valuation in accordance with Section 6.2(e) below) shall be paid to the Participant, at the option of the Administrators (i) in a lump sum payment, (ii) as such New Participation Units mature, or (iii) any combination of the foregoing.

(d) **Termination**. Except as provided in Section 6.2(b) above, New Participation Units held by unvested Participants shall terminate and be forfeited in their entirety upon a Participant's termination of employment, or upon Participant's employment other than on a full time basis with Erickson or its Affiliates for any reason, unless determined otherwise by the Administrators with the consent of the Participant. In addition, unless determined otherwise by the Administrators, all New Participation Units held by a Participant (vested or unvested) shall terminate in their entirety and be forfeited, upon the Participant's termination of employment for Cause.

(e) **Valuation**. Each year following the completion of the annual audit of Erickson, the Administrators shall determine the Value of New Participation Units in accordance with the terms of the Valuation Method attached hereto as Exhibit B. Such Value shall be presented to the Board and shall be deemed approved upon Board approval. However, New Participation Units held by Participants that have left employment with Erickson or an Affiliate, or are no longer employed by Erickson or an Affiliate on a full time basis, shall not increase in value after the date such Participant left employment or become a part time employee, but may be decreased in Value, to the extent the Value of Participation Units generally are decreased prior to pay out or maturity.

(f) **Forfeiture**. Participant, by Participant's acceptance of New Participation Units, acknowledges and agrees that during the Participant's employment, and for a period of one (1) year after the termination of such employment for any reason whatsoever, any participation or employment, directly or indirectly, in any capacity whatsoever, with any competitor of, or engaging in providing goods or services in competition with, Erickson or its Affiliates, as determined by Erickson in its sole discretion, shall result in the forfeiture of all New Participation Units, irrespective of whether the Participant was vested. Participant expressly acknowledges and agrees (i) that the restrictions set forth herein are reasonable, (ii) that the protections afforded to Erickson and its Affiliates hereunder are necessary to protect its legitimate business interests, and (iii) that the agreement to observe such restrictions form a material part of the consideration for Participant's participation in the Plan. If any restriction set forth in this section is held by a court of competent jurisdiction to be unenforceable with respect to one or more geographic areas, lines of business and/or months of duration, then Participant agrees, and hereby submits to the reduction and limitation of such restriction to the minimal extent necessary so that the provisions of this section shall be enforceable.

6.3 **Voting and Dividend Rights**. Except as otherwise provided herein, the grant of an Participation Unit shall not be deemed to confer upon the Participant any voting, dividend, distribution, liquidation or other rights and privileges with respect to the member interests of Erickson or any Affiliate.

ARTICLE VII
Deferral of Payments

7.1 **Participant Deferrals**. In accordance with rules established by the Administrators, and as described herein, certain Participants may elect to defer a percentage of payments due hereunder which would otherwise be due and paid to the Participant. Amounts so deferred will be considered a Participant's "Deferrals".

(a) **Timing of Deferral Election for Payments Pursuant to Participation Units**. A Participant shall make his or her deferral election with respect to any payment due pursuant to a Participation Unit within the 30 day period commencing on the date the Participation Unit giving rise to such payment is granted.

(b) **Election as to Time of Payment**. The Participant may also designate a fixed Payment Date for the commencement of payment to the Participant of the Deferrals made pursuant to such deferral election (as increased and decreased by earnings, losses and expenses), as more particularly described in Section 7.6. If no election as to the time of payment is made, the Plan's default provisions under Section 7.6 will apply.

(c) **Subsequent Deferral Elections**. If the Participant desires to subsequently postpone a Payment Date, or in the event the Participant does not make an initial deferral election as provided in 7.1(a) above, the Participant may make a subsequent election to defer a payment, provided, (i) such election shall not take effect earlier than the twelfth month after the date on which the election is made, (ii) the first payment with respect to which such election is made shall be deferred for a period of not less than five (5) years from the date such payment would otherwise have been made or was scheduled to commence (except in the case of the Participant's death, disability (as defined in Code Section 409A), or Separation from Service upon a Change of Control, or an Unforeseeable Emergency), and (iii) the election shall not be made less than twelve months prior to the date the payment would have been made or was scheduled to commence. A fixed Payment Date may not be accelerated.

(d) **Manner of Making Elections**. All deferral elections shall be made in the manner prescribed by the Administrators and submitted no later than the date designated by the Administrators as the due date for that election. The Participant may not terminate or otherwise modify his or her deferral election at any time during the Plan Year to which it relates. A separate deferral election must be made for each Plan Year in which a payment is otherwise due under the Plan.

(e) **Deferrals of Payments Pursuant to Original Participation Units**. In accordance with the provisions of this Article VII, a Participant may make a subsequent deferral election, in accordance with Section 7.1(c) and rules established by the Administrators, to defer a percentage of any payment due pursuant to an Original Participation Unit; provided, however, that no Participant may elect to defer a payment to be made in 2006.

(f) **Establishment of Accounts**. There shall be established by Erickson a "Deferral Account" in the name of each Participant to which shall be credited or debited: (i) amounts equal to the Participant's Deferrals; (ii) amounts equal to any earnings or losses (to the extent realized, based upon fair market value of the Deferral Account's assets, as determined by the Administrators, in their sole and absolute discretion) attributable or allocable thereto; and (iii) expenses charged to the Deferral Account. Each Participant shall have the right to direct the Administrators as to how amounts in his or her Plan Account shall be invested. In the event a Participant designates a specific Payment Date for certain deferrals, those deferrals subject to that election shall be accounted for in a separate sub-account of the Participant's Deferral Account. A Participant shall at all times be 100% vested in amounts credited to his or her Participant Deferral Account.

(g) **Contributions to Accounts**. Erickson shall make the provisions for the payment of any deferred amounts to be made to the Participant's Deferral Account under this Article.

(h) **409A Transitional Election**. Notwithstanding the foregoing, and in accordance with the transitional rules under Section 409A, as set forth in Internal Revenue Service Notice 2006-79, a Participant whose payments have not begun shall be permitted to make a new payment election or change a previous payment election, provided that the Participant makes such election on or before December 31, 2007 (or such earlier date as the Administrators, in their sole discretion, may specify), and provided further any election made on or after January 1, 2006, and on or before December 31, 2006, only applies to amounts that would not otherwise be payable in 2006 and may not cause an amount to be paid in 2006 that would not otherwise be payable in 2006. With respect to an election as to the form of payment made on or after January 1, 2007, and on or before December 31, 2007, the election may apply only to amounts that would not otherwise be payable in 2007 and may not cause an amount to be paid in 2007 that would otherwise be payable in 2007.

7.2 **Investment Directions of Participants**. Subject to such limitations as may from time to time be required by law, imposed by the Administrators or contained elsewhere in the Plan, and subject to such operating rules and procedures as may be imposed from time to time by the Administrators, prior to and effective for each Deferral, each Participant may communicate to the Administrators a direction as to how his or her Deferral Account should be invested among such investments as may be made available by the Administrators hereunder. The Administrators may, in their absolute discretion, select the investments to be made available from time to time as investments under the Plan and may add or remove investments as the Administrators deem appropriate, provided that the Administrators shall give at least ninety (90) days' advance notice to the Participant before any investment is removed or made unavailable. Such direction shall designate the percentage (in ten percent (10%) increments or such other increments permitted by Erickson) of each portion of the Participant's Deferral Account which is requested to be invested in such investments, and shall be subject to the following rules:

(a) Any initial or subsequent investment direction shall be in the form prescribed by the Administrators, and shall be effective as of the first day of the month next following the date the election is made.

(b) All amounts credited to the Participant's Deferral Account shall be invested in accordance with the then effective investment direction; and as of the effective date of any new investment direction, all or a portion of the Participant's Deferral Account at that date shall be reallocated among the designated investment funds according to the percentages specified in the new investment direction unless and until a subsequent investment direction shall be submitted and become effective. An election concerning investment choices shall continue indefinitely as provided in the Participant's most recent election.

(c) If the Administrators receive an initial or revised investment direction which is deemed to be incomplete, unclear or improper, the Participant's investment direction then in effect shall remain in effect (or, in the case of a deficiency in an initial investment direction, the Participant shall be deemed to have submitted no investment direction), unless the Administrators provide for, and permit the application of, corrective action prior thereto.

(d) If the Administrators possess (or are deemed to possess as provided in (c), above) at any time directions as to the investment of less than all of a Participant's Deferral Account, the Participant shall be deemed to have directed that the undesignated portion of the Deferral Account be invested in a money market, fixed income or similar fund made available under the Plan as determined by the Administrators in their sole discretion.

(e) Each Participant hereunder, as a condition to his or her participation hereunder, agrees to indemnify and hold harmless Erickson and its agents and representatives from any losses or damages of any kind relating to the investment of the Participant's Deferral Account hereunder.

7.3 **Form of Payments**. All payments from a Participant's Deferral Account(s) shall be made in a lump sum.

7.4. **Expenses**. Expenses, including fees allocable to the administration or operation of Deferral Accounts maintained under the Plan shall be paid by Erickson, but Erickson, in its sole and absolute discretion, may elect to charge such expenses against the appropriate Participant's Deferral Account. If an expense is charged against a Participant's Deferral Account, in the sole and absolute discretion of Erickson, such expense will be charged against and shall reduce the Participant's Deferral Account hereunder.

7.5 **Taxes**. Any taxes allocable to a Deferral Account (or portion thereof) maintained under the Plan which are payable prior to the distribution of the Deferral Account (or portion thereof), as determined by the Administrators in their sole and absolute discretion, shall be charged against that Deferral Account as an expense of the Deferral Account, in the manner provided in Section 7.4.

7.6 **Fixed Payment Dates; Separation from Service.**

(a) **Scheduled in-Service Distribution**. When the Participant elects to make a deferral, a Participant may select a fixed Payment Date in the future, in accordance with the provisions of this Article VII, for the payment of the deferral that is subject to that election (as increased and decreased by earnings, losses and expenses). In the event the Participant elects a fixed Payment Date, the deferral (as adjusted by earnings, losses and expenses) shall be separately accounted for in a sub-account of the Participant's Deferral Account and shall be paid or commence to be paid to the Participant as soon as administratively feasible after the earlier of (i) the fixed Payment Date or (ii) the first day of the first calendar month beginning immediately after the calendar quarter of the Participant's Separation from Service (except in the event of a subsequent deferral election under Section 7.1(c)).

(b) **Default Election**. If the Participant has not selected a Payment Date pursuant to the Plan's terms for a specific portion or all of the Participant's Deferral Account, then those amounts shall be paid or shall commence as soon as administratively feasible after the first day of the first calendar month beginning immediately after the calendar quarter of the Participant's Separation from Service.

7.7 **Separation from Service Upon a Change in Control**. Upon a Change in Control, a Participant affected by that event shall not be considered to have a Separation from Service for purposes of this Plan if all of the following conditions are satisfied: (a) the Participant continues employment with either Erickson, an Affiliate or the successor; and (b) the successor agrees to assume responsibility for payment of the vested and unvested benefit obligations to the Participant accrued hereunder as of the date of the Change in Control. If either of the foregoing conditions are not satisfied, then the Participant shall be deemed to have a Separation from Service for purposes of this Plan upon the effective date of the Change in Control.

7.8 **Distribution Upon Death of Participant**. If a Participant dies before his fixed Payment Date or his Separation from Service, the entire undistributed value of the Participant's Deferral Account shall be paid to the person or persons designated as the Participant's Beneficiary(ies), in accordance with the provisions of Section 7.10, during the first six months following the Participant's death.

7.9 **Unforeseeable Emergency**. Notwithstanding any provision hereof to the contrary, upon a finding that the Participant has suffered an Unforeseeable Emergency, the Administrators may, in their sole discretion, allow distribution from the Participant's Deferral Account prior to the time otherwise specified for payment of benefits under the Plan. An Unforeseeable Emergency, as defined in Section 409A, is generally limited to the following: a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code Section 152) of the Participant, loss of Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The amount of such distribution shall be limited to the amount which is necessary to meet the Participant's immediate financial need and which is not reasonably available from other sources.

7.10 **Application for Payment**. On the date or dates on which a Participant or Beneficiary is entitled to payment under Section 7.1, the Participant or Beneficiary may make application for payment directly to the Administrators who shall, subject to any restrictions or limitations contained in the applicable account agreement, pay the Participant or Beneficiary the appropriate amount directly from the Deferral Account without the consent of Erickson.

7.11 **Designation of Beneficiaries**. Each Participant from time to time may designate any person or persons (who may be named contingently or successively) to receive such benefits as may be payable under the Plan upon or after the Participant's death, and such designation may be changed from time to time by the Participant by submitting a new designation. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Administrator, and will be effective only when filed with the Administrator during the Participant's lifetime.

In the absence of a valid Beneficiary designation, or if, at the time any benefit payment is due to a Beneficiary, there is no living Beneficiary validly named by the Participant, the Administrators shall cause the payment of any such benefit payment to be made to the Participant's spouse, if then living, but otherwise to the Participant's then living descendants, if any, per stirpes, but, if none, to the Participant's estate. In determining the existence or identity of anyone entitled to a benefit payment, the Administrators may rely conclusively upon information supplied by the Participant's personal representative, executor or administrator. If a question arises as to the existence or identity of anyone entitled to receive a benefit payment as aforesaid, or if a dispute arises with respect to any such payment, then, notwithstanding the foregoing, Erickson, in its sole and absolute discretion, may direct the Administrators to distribute such payment to the Participant's estate without liability for any tax or other consequences which might flow therefrom, or may take such other action as the Administrators deem to be appropriate.

7.12 **Information To Be Furnished by Participants And Beneficiaries: Inability To Locate Participants Or Beneficiaries**. Any communication, statement or notice addressed to a Participant or to a Beneficiary at his or her last post office address as shown on Erickson's records shall be binding on the Participant or Beneficiary for all purposes of the Plan. The Administrators shall not be obliged to search for any Participant or Beneficiary beyond the sending of a registered letter to such last known address. If the Administrators notify any Participant or Beneficiary that he or she is entitled to an amount under the Plan and the Participant or Beneficiary fails to claim such amount or make his or her location known to the Administrators within three (3) years thereafter, then, except as otherwise required by law, if the location of one or more of the next of kin of the Participant is known to the Administrators, the Administrators may direct distribution of such amount to any one or more or all of such next of kin, and in such proportions as the Administrators determine. If the location of none of the foregoing persons can be determined, the Administrators shall have the right to direct that the amount payable shall be deemed to be a forfeiture, except that the dollar amount of the forfeiture, unadjusted for deemed gains or losses in the interim, shall be paid by Erickson if a claim for the benefit subsequently is made by the Participant or Beneficiary to whom it was payable. If a benefit payable to an unlocated Participant or Beneficiary is subject to escheat pursuant to applicable state law, Erickson shall not be liable to any person for any payment made in accordance with such law.

ARTICLE VIII
Subordination

8.1 Subordination. Notwithstanding anything herein to the contrary, no payment shall be made under the Plan that would cause Erickson or any Affiliate to violate any banking agreement or loan or other financial covenant or cause a default of any indebtedness of Erickson or any Affiliate, regardless when such agreement, covenant or indebtedness was created, incurred or assumed. Any payment under the Plan 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 a rate which is equal to the prime rate of interest being generally charged by any of Erickson's existing banks from time-to-time during the period of such deferral, but in no event shall such rate of interest exceed ten percent (10%) per annum. Erickson shall pay accrued interest at the same time as it makes the payment to which such interest relates.

ARTICLE IX
Miscellaneous

9.1 Withholding of Taxes. Erickson or any Affiliate, to the extent permitted or required by law, shall have the right to deduct from any payment otherwise due to a Participant any taxes of any kind required by law to be withheld with respect to any distribution or payment under the Plan. Erickson may require, as a condition to any payment due with respect to any Participation Unit, that the Participant pay to Erickson or its Affiliate, in cash, any such taxes of any kind so required by law to be withheld.

9.2 Nontransferability. Participation Units granted under the Plan, and any rights, privileges and benefits pertaining thereto, may not be transferred, assigned, alienated, pledged or hypothecated in any manner, by operation of law or otherwise, and shall not be subject to execution, attachment or similar process. Any attempt to so transfer, assign or encumber Participation Units shall be null and void.

9.3 **Capital or Structure.** Upon any change in the outstanding capitalization of Erickson through merger, consolidation, reorganization, recapitalization, dividend, split, reverse split, split-up, split-off, spin-off, combination of interests, exchange, or other like change, regardless of whether or not such change involves a Change of Control, the Administrators shall be entitled to make any such adjustment to each outstanding Participation Unit that the Administrators, in their reasonable discretion, deems appropriate.

9.4 **Erickson's Rights.** The existence of this Plan and any Participation Units granted hereunder shall not affect in any way the right or power of Erickson or any Affiliate to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in Erickson's or any Affiliate's capital structure or its business, or any merger or consolidation of Erickson or such Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Participation interest in Erickson or the rights thereof, or the dissolution or liquidation of Erickson or any Affiliate, or any sale or transfer of all or any part of Erickson's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

9.5 **Termination and Modification of the Plan and Participation Units.** The Plan shall continue in effect indefinitely until otherwise terminated as set forth herein. Erickson may terminate the Plan, in whole or in part at any time in its discretion, provided that: (i) all arrangements sponsored by Erickson and its Affiliates that would be aggregated with any terminated arrangement under Section 409A if the same individual participated in all of the arrangements, are terminated; (ii) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements; (iii) all payments are made within twenty-four months of the termination of the arrangements; and (iv) Erickson and its Affiliates do not adopt a new arrangement that would be aggregated with any terminated arrangement under Section 409A if the same individual participated in both arrangements, at anytime within five years following the date of termination of the Plan. Upon termination of the Plan, all Participation Units outstanding shall become fully vested and paid.

9.6 **Nature of Plan.** The Plan is an unfunded plan that is not intended to be (i) subject to Parts 2, 3 or 4 of Title I, Subtitle B of the Employee Retirement Income Security Act of 1974 ("ERISA"), or (ii) qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended. the obligation to make payments in settlement of Participation Units rests solely with Erickson and shall not be construed as an obligation or liability of any Affiliate for which the Participant performs services. The obligation of Erickson to make payments with respect to Participation Units granted pursuant to the Plan shall be interpreted solely as an unfunded contractual obligation to make such payments in the manner and under the conditions prescribed under the Plan. No Participant or other person shall have any interest in any particular assets of Erickson or an Affiliate by reason of the right to receive a payment under the Plan, and any such Participant or other person shall have only the rights of a general unsecured creditor of Erickson with respect to any rights under the Plan. Any assets set aside by Erickson, including any assets transferred to a rabbi trust or purchased by Erickson with respect to amounts payable under the Plan, shall be subject to the claims of Erickson's general creditors, and no person other than Erickson shall, by virtue of the provision of the Plan, have any interest in such assets. Neither the Plan nor any Participation Unit shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between Erickson and a Participant or any other person.

9.7 __Reliance on Reports.__ Each member of the Board and each Administrator shall be fully justified in relying or acting in good faith upon any report made by the independent public accountants of Erickson and upon any other information furnished in connection with this Plan. In no event shall any person who is or shall have been a member of the Board or an Administrator be liable for any determination made or other action taken or any omission to act in reliance upon any such report or information, or for any action taken, including the furnishing of information, or failure to act, if in good faith.

9.8 __Arbitration__. Any dispute between Erickson and a Participant relating to Participation Units shall be resolved by binding arbitration which shall be administered by the American Arbitration Association in accordance with the rules and procedures established by the American Arbitration Association.

9.9 __Relation to Other Benefits.__ No payment under this Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, deferred compensation or group insurance plan of Erickson or an Affiliate unless the Plan so provides.

9.10 __Non-Guarantee of Employment.__ Nothing in the Plan or a Certificate shall confer any right on an employee to continue in the employ of Erickson or an Affiliate at any particular position or rate of pay or for any particular period of time, or shall interfere in any way with the right of Erickson or an Affiliate to terminate an employee at any time with or without notice or cause.

9.11 __Amendment.__ The Administrators may, in their sole and absolute discretion from time to time, amend the Plan, provided that no amendment shall be made without the approval of the Board that will (i) modify the provisions of the Plan relating to eligibility, or (ii) materially increase the benefits accruing to Participants under the Plan. The Administrators shall be authorized to amend the Plan (including the form of any exhibit thereto) and the Participation Units granted thereunder, provided that the rights and obligations under any Participation Units granted before amendment of the Plan shall not be materially and adversely affected by amendment of the Plan or such Participation Units (as determined in the sole and absolute discretion of the Administrators) without the consent of the holder of such Participation Unit. Notwithstanding anything herein to the contrary, the Plan may be amended by the Administrators at any time, retroactively if required, to conform the Plan to the provisions and requirements of Section 409A and any other applicable law (including ERISA and the Code). No such amendment shall be considered prejudicial to any interest of the Participant or a Beneficiary hereunder. Notwithstanding anything herein to the contrary, an officer of Erickson may adopt amendments to conform the Plan to technical changes in the law or make other ministerial changes.

9.12 Titles and Headings. The titles and headings set forth in this Plan are for convenience of reference only, and in the event of any conflict, the text of this Plan, rather than such titles or headings, shall control.

9.13 Governing Law. The validity, construction and effect of the Plan and of any rules, regulations, determinations or decisions made by the Administrators or Board relating to the Plan, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance and the laws of the State of Maryland, without regard to its conflict of laws principles, except to the extent that federal laws apply.

9.14 Effective Date. The Plan is effective as of January 1, 2006.

IN WITNESS WHEREOF, Erickson has caused this Plan to be executed by its duly authorized officer and its seal affixed hereto, effective as of the Effective Date.

ATTEST:

Gerald F. Doherty

Gerald F. Doherty

ERICKSON GROUP, LLC

By: ____________

Title: Jeffrey A. Jacobson
Treasurer

ERICKSON RETIREMENT COMMUNITIES, LLC

By: ____________

Title: Jeffrey A. Jacobson
Exec. Vice President, Chief Financial Officer and Treasurer

ADMINISTRATORS OF THE PLAN:

Bruce R. Grindrod, Jr.
President

Peter B. McMillan
President

Lenora Booth
Executive Vice President

Gerald F. Doherty
Executive Vice President

Jeffrey A. Jacobson
Executive Vice President

Daniel P. Rexford
Executive Vice President

Michael A. Wagner
Executive Vice President

William F. Walker
Executive Vice President

Gerald F. Doherty
Executive Vice President

Jeffrey J. Jacobson
Executive Vice President

Daniel P. Rexford
Executive Vice President

Michael A. Wagner
Executive Vice President

William F. Walker
Executive Vice President

ERICKSON RETIREMENT COMMUNITIES, LLC
AMENDED AND RESTATED GROWTH PARTICIPATION PLAN

EXHIBIT A

SCHEDULE OF PARTICIPATION UNIT GRANTS

Position/Job Grade	Total After 4 Years	Annual Grant
Manager	100	25
Director	200	50
Senior Director	400	100
Vice President	750	187.5
Senior Vice President	1,250	312.5
Executive Vice President	2,000	500
President	3,000	750

Grants for the first year of eligibility shall be pro-rated on a quarterly basis based on the quarter the Participant first become eligible for participation in the Plan.

ERICKSON RETIREMENT COMMUNITIES, LLC
AMENDED AND RESTATED GROWTH PARTICIPATION PLAN

EXHIBIT B

VALUATION METHOD

Annually, the Administrators will recommend to the Board a New Participation Unit Value based on three indicators of performance:

- Group or Erickson's performance against goals for the current year;
- The increase, if any, in the appraised value of Erickson; and
- The available cash from Operations (cash from Management, Development and Construction fees less cash used for overhead).

The Plan targets successful performance to be reflected by an increase annually of $100 per New Participation Unit. The Administrators will assess if Erickson's overall performance has met, will not meet, or exceeded this target based on at least the three performance indicators set out above. The New Participation Units granted in 2006 are deemed to have increased in value $100 per New Participation Unit.

Erickson
Retirement Communities

Maryland • New Jersey • Massachusetts • Michigan • Virginia

March 18, 2002

Dear Growth Participation Plan Participant:

As provided under the Growth Participation Plan (the "Plan"), the Plan Administrator will provide certain information on an annual basis to all participants. This information will be provided by June 30 of each year.

The information is as follows:

1. Value per unit based on 12/31/01 results: $647.00 per unit.
   (Copy of valuation and report by PriceWaterhouse Coopers attached.)

2. Put Period – March 19, 2002 through April 2, 2002.
   (Vested employees may redeem up to 10% of their units during this period. To the extent the vested employee is over 50 years old or has been employed with the company 20 years, the participant is required a minimum put of no less than 5% and a maximum put of up to 33 ⅓%.)

3. GPP Amendment Language and Valuation Memorandum.
   (Consistent with the Growth Participation Plan, the Administrators have accepted the changes noted in the two documents.)

We are pleased to announce a $23.00 per unit distribution. If you are vested under the Plan as of March 11, 2002 (five years of Full Time employment), a distribution check will be issued to you on March 18, 2002 equal to $23.00 X (number of units you have) less any appropriate taxes.

If you are not vested but have previously received a distribution and have established a deferred compensation money market account with Pen-Cal, the distribution will be placed in that account based on the percentages that you have already established. You do not need to fill out any additional forms. Documents are attached explaining the account and the funds that you may choose to invest in. For those who do not have an account already established with Pen-Cal, an enrollment package is also enclosed. Please fully complete the form and return to Mari Shoebotham, Legal Department, Corporate Office by April 1, 2002, who will then forward them to Pen-Cal. Once Pen-Cal receives your enrollment form, you will be able to access your account and invest your funds via phone or Internet as you desire (instruction enclosed).

If you have any questions regarding Pen-Cal or the enrollment form, Call Mari at extension 8183. If you have any questions regarding the Plan, please call Jeff Jacobson at extension 8914.

Sincerely,

Plan Administrators:
Rick Grindrod
Bernie Hirl
Michael Erickson

Erickson®
Retirement Communities

March 17, 2005

Dear Growth Participation Plan Participant:

As provided under the Growth Participation Plan, (the "Plan") the Plan Administrator will provide certain information on an annual basis to all participants. This information will be provided by June 30 of each year.

The information is as follows:

1. Value per unit based on 12/31/04 results: $1051.74 per unit.
   (Copy of valuation and report by PriceWaterhouse Coopers attached.)

2. Put Period – March 21, 2005 through April 4, 2005.
   (Vested employees may redeem up to 10% of their total unit grant(s) during this period. To the extent that the vested employee is over 50 years old or has been employed with the company 20 years, the participant may put a maximum of up to 33 1/3 %.)

We are pleased to announce a $10.00 per unit distribution. If you are vested under the Plan as of March 14, 2005 (five years of Full Time employment), a distribution check will be issued to you on March 18, 2005 equal to $10.00 X (number of units you have) less any appropriate taxes.

If you are not vested but have previously received a distribution and have established a deferred compensation money market account with Pen-Cal, the distribution will be placed in that account based on the percentages that you have already established. You do not need to fill out any additional forms. Documents are attached explaining the account and the funds that you may choose to invest in. For those who do not have an account already established with Pen-Cal, an enrollment form is also enclosed (investment information will follow). Please complete the form and return to Gary Cole, Human Resources Department, Corporate Office by April 8, 2005, who will then forward them to Pen-Cal. Once Pen-Cal receives your enrollment form, you will be able to access your account and invest your funds via the phone or Internet as you desire.

Sincerely,

The Plan Administrators

Erickson®
Retirement Communities

June 15, 2007
Janice Perry
OAKCR

Dear Janice,

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 100 units. This grant will be issued in four installments of 25 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 $90,130.50 and the targeted 2007 installment, plus interest, is $30,043.50. 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