

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:
YOUR CLAIM IS SCHEDULED AS:
Schedule/Claim ID: s1991
AMOUNT/CLASSIFICATION
\$14,776.82 UNSECURED
Court Claim Number:
Filed on:

Name and address where payment should be sent (if different from above):
Telephone number:
RECEIVED
FEB 04 2010
BMC GROUP

1. Amount of Claim as of Date Case Filed: \$ 14,776.82
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: REMAINING SIX WEEKS OF SEVERANCE
(See instruction #2 on reverse side.) SEE ATTACHED "SEPARATION AGREEMENT"

3. Last four digits of any number by which creditor identifies debtor: 0718
3a. Debtor may have scheduled account as:

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:

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: 2/1/10 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. Attach copy of power of attorney, if any.
FOR COURT USE ONLY
Erickson Ret. Comm. LLC
00757

LAST
Earnings Statement

Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, MD 21228

→ Period Ending: 10/03/2009
Advice Date: 10/09/2009
Advice Number: 0000484832
Batch Number: 000000002920

EDWARD M BALFE
289 Abbotsford Court
Glen Ellyn, IL 60137

Exemptions Addl Amt Addl %
Fed: Married-06
IL: Not app-03

Earnings	Rate	Hours	This Period	Year-to-Date
Severance Wa	61.5701	0.00	4925.61	9851.22
Holiday	0.0000	0.00	0.00	1970.24
Regular Pay	0.0000	0.00	0.00	81149.26
PTO	0.0000	0.00	0.00	21679.43

Deductions	This Period	Year-to-Date
*Medical	0.00	3976.60
*Dental	0.00	420.02
*AD&D	0.00	76.20
*401(k)	0.00	7470.13
*FSA Medical	0.00	3076.93
Optional Life	0.00	137.70
Spouse Life	0.00	17.60
Optional Life Chi	0.00	69.20
Short Term Disabi	0.00	912.00

Gross Pay	0.00	4925.61	114650.15
TOT PROB	0.00	0.00	
TOT NON PROB	0.00	4925.61	

Total	0.00	16136.38
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Tax Deductions

Fed Withholding	622.27	11136.27
Fed MED/EE	71.43	1552.96
Fed OASDI/EE	286.76	6621.60
IL Withholding	140.85	2829.67

*Excluded from Federal Taxable Wages
** Imputed Income - Group Term Life

Leave Summary	Balance
PTO	0.00
ELB	226.38

Message

Total	1121.31	22140.50
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Direct Deposit Summary

Trans	Type	Account	Amount
Deposit Che	XXXXXX3858		3,804.30
Net Check			0.00

Net Pay	3804.30	76353.27
Fed Taxable Wages	4925.61	99630.27

VERIFY DOCUMENT AUTHENTICITY - COLORED AREA MUST CHANGE IN TONE GRADUALLY AND EVENLY FROM DARK AT TOP TO LIGHTER AT BOTTOM

Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, MD 21228

Advice Number: 0000484832

Advice Date: 10/09/2009

Deposited to the account of	Account Number	Transit	ABA	Amount
EDWARD M BALFE	XXXXXX3858	1972572		3804.30

THIS IS NOT A CHECK
NON-NEGOTIABLE

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TO: Edward Balfe
DATE: April 15, 2009
RE: Separation Agreement and Release

Erickson Retirement Communities, LLC ("Company") must regretfully initiate a reduction in force. This agreement (the "Agreement") sets forth the terms and conditions for your separation from employment.

1. You will be separated as of the close of business on September 1, 2009 (the "Effective Date"). You will remain an employee at-will through the Effective Date, subject to Erickson's normal rules and standards of conduct for employees. Your duties will be to assist with completion of specific projects and transitioning of your responsibilities. If you need time for job search or interviews, we will try to accommodate your schedule. You will receive a final paycheck for your wages, minus taxes and withholdings, through the Effective Date at your current 2009 salary level, on the next regular Erickson pay-date. Your current benefits package remains in effect through the end of September 2009 with the standard payroll deduction. You will also receive a check for any accrued, unused PTO hours, minus taxes and withholdings, you have as of the Effective Date on the next regular payday after the Effective Date.

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

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

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

from the separation pay. After separation pay is concluded, then you will be responsible for direct payments of the 35% cost portion if you are eligible for the subsidy or the full COBRA premium if you are not eligible or if your eligibility period has concluded.

- If you participate in Company's 401k plan, you remain vested in the employer's matching contributions towards your plan per the vesting schedule which is included in your separation packet. Per the terms of the plan, you cannot make any further contributions during the separation pay period.
- If you participate and are currently vested in Company's Growth Participation Plan (GPP) Units under the terms of the old 2005 plan and/ or the terms of the 2006 plan, your vesting remains the same as of the Effective Date. All payments of GPP value will be made per the terms of the plans and may be delayed or deferred per the terms of the plans.
- If you have an outstanding employee assistance loan, we will continue to deduct the amounts you agreed upon from your final paycheck and separation paychecks. If there is still an outstanding balance after the final paycheck or separation pay is ended, we will forgive the outstanding balance.
- If you have a current agreement for tuition reimbursement, we will continue the reimbursement per the terms of our tuition reimbursement policy for this current semester only.
- If you are uncertain about your participation or vesting level in the benefits or plans named above, you may contact the HR Representative at the number provided in your separation packet.

4. You agree to return promptly all of Company's property including, but not limited to, your ID card, keys, parking pass, laptop, blackberry/ phone, equipment, and any documents or files concerning residents, employees, services, software, and business information for Company, its managed retirement communities, their members, subsidiaries, or affiliates. You agree to be reasonably available for discussions with your Company about transitioning your work. You agree to submit any expenses which you believe are reimbursable business expenses to Company within 30 days from your separation date. Company will only reimburse business expenses that are timely, genuine and reasonable, and supported by documentation as determined by Company. If you wish to keep your company phone, you will be required to transfer the account to your name and will be responsible for all charges after the Effective Date. You agree to refrain from disclosing any of Company's trade secrets, business practices, proprietary information or confidential information which you acquired during the course of your employment with Company. You also agree to keep the terms and the existence of this Agreement confidential and not to disclose this Agreement to any other person or entity, except for your attorney, your tax advisor, or your spouse, as applicable, unless otherwise required by law.

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

6. In consideration for the benefits listed in Sections 3, 4, and 5 of this Agreement, you hereby release Company, its managed retirement communities, their owners, members, directors, officers, employees, agents, insurers, employee benefit plans and fiduciaries/ administrators of such plans, and all related or affiliated persons or entities (collectively the "Released Parties") of and from any and all known and unknown liability, claims, causes, demands, attorneys fees, damages, and rights, including, but not limited to, any claims which you have or may have arising out of or related to your employment, including the separation of your employment. This waiver and release includes all rights and obligations under any federal, state, or local laws, regulations, ordinances, or common law, including but not limited to all employment discrimination laws such as Title VII of the Civil Rights Act of 1964, as amended, the Maryland Human Rights Act and any State of Illinois equal employment laws or non-discrimination laws, the Age Discrimination in Employment Act of 1967 ("ADEA"), the Family & Medical Leave Act, the Worker

Adjustment and Retraining Notification Act ("WARN"), the Americans with Disabilities Act of 1990, Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974 ("ERISA"), and all other employment laws, claims for wrongful discharge, claims of unfair dealing, claims in connection with any employment contract, and claims for personal injury, emotional distress, pain and suffering, compensatory or punitive damages.

7. You agree that you have not filed nor commenced any charges, complaints, claims, civil actions or other proceedings against the Released Parties in any federal, state, local or other agency, court, or tribunal. You agree not to seek or request damages in connection with any other claim, demand or charge against the Released Parties. This Agreement is not intended to interfere with any right you have to file a charge with any federal, state or local governmental agency, except that you agree that by entering into this Agreement, you waive any claim to recovery of any remedy beyond what is provided in this Agreement. You also agree that you have not been denied any leave requested under the Family and Medical Leave Act or any applicable state/ local leave laws. This paragraph does not preclude you from bringing an action to enforce the terms of this Agreement or to challenge the validity of this Agreement.

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

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

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

11. Your signature confirms that you are entering into this Agreement voluntarily, you understand all of its terms, and that you are not relying upon any other representations or agreements of Company except for those expressly set forth in this Agreement. Once signed, this Agreement will set forth the entire agreement between Company and you and supersedes any previous agreements or discussions concerning your employment or the termination thereof, except as expressly noted above. No changes in this Agreement will be valid unless in writing and signed by both parties. In the event that any one or more of the provisions of this Agreement other than the general release language in Section 6 shall for any reason be held to be invalid, illegal or unenforceable, the invalidity, illegality, or unenforceability shall not affect any other provision, and the Agreement shall be construed as though it had not contained the invalid, illegal, or unenforceable provision.

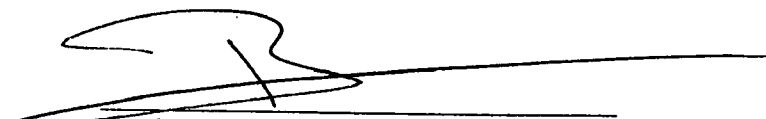
12. Any need for interpretation or enforcement of this Agreement will be in accordance with Maryland law, without regard to its conflict of laws provisions. Company and you agree that any action or proceeding relating to the

enforcement of this Agreement will only be brought in the courts of Baltimore County, Maryland or in the U.S. District Court for the State of Maryland. Company and you further agree that any such action or proceeding will be heard without a jury or an advisory jury. You and Company waive your respective rights to bring any such action or proceeding in any other jurisdiction, or to have any such action or proceeding heard before a jury or an advisory jury.

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

Witness:

Larry Roth 4.23.09



Employee Signature

Edward Balfe

Date: 4/23/09

Witness:


Asheigh James

Erickson Retirement Communities, LLC

Signed by:

Printed Name:

Date:


Jennifer Peterson
4/30/09

ATTACHED SCHEDULES

Schedule 1: Individuals covered by the Company April 2009 Reduction in Force Program, eligibility factors for the program, and time limits applicable to the reduction program

Schedule 2: (a) List Of Job Titles And Ages Of Individuals Selected For the April 2009 Reduction In Force Program, and (b) List Of Job Titles And Ages Of Individuals Not Selected For The April 2009 Reduction In Force Program Who Are In The Same Decisional Unit As You