

UNITED STATES BANKRUPTCY COURT Northern District of Texas		PROOF OF CLAIM
Name of Debtor: ERICKSON GROUP, LLC		Case Number: 09-37015
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): KeyBank National Association, Successor To Key Corporate Capital Inc.		☐ Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent: KeyBank National Association, Mailcode OH-01-27-0504 127 Public Square, Cleveland, OH 44114 Attn: Scott Childs, Vice President Telephone number: (216) 689-5989		Court Claim Number: _____ (If known) Filed on: _____
Name and address where payment should be sent (if different from above): PNC Bank, National Association, As Collateral And Administrative Agent Mail Stop: C3-CA01-19-1, Two Hopkins Plaza, 19th Floor, Baltimore, MD 21201 Attn: Wendy Andrus, Vice President Telephone number: (410) 237-5923		☐ 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: \$ 7,102,223.19** 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: <u>SEE ATTACHED</u> (See instruction #2 on reverse side.)		☐ 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: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		☐ Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).
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: SEE ATTACHED Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ <u>SEE ATTACHED</u> Basis for perfection: <u>SEE ATTACHED</u> Amount of Secured Claim: \$ <u>7,102,223.19</u> Amount Unsecured: \$ _____		☐ 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)().
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:		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.
Date: <u>2/22/10</u> 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. KEYBANK NATIONAL ASSOCIATION, SUCCESSOR TO KEY CORPORATE CAPITAL INC. By: Scott Childs, Vice President		FOR COURT USE ONLY Erickson Ret. Comm. LLC  01012

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.

**** Post-petition amounts also set forth in the attached Rider.**

RIDER TO PROOF OF CLAIM

In re Novi Campus, LLC, Case No. 09-37025

In re Erickson Retirement Communities, LLC, Case No. 09-37010

In re Erickson Construction, LLC, Case No. 09-37016

In re Erickson Group, LLC, Case No. 09-37015

NOVI CAMPUS, LLC ("**Novi**"), ERICKSON RETIREMENT COMMUNITIES, LLC ("**ERC**"), ERICKSON GROUP, LLC ("**Erickson Group**"), and ERICKSON CONSTRUCTION, LLC ("**Erickson Construction**," and, collectively, "**Debtors**") are each indebted to PNC Bank, National Association, Successor to Mercantile-Safe Deposit and Trust Company (in its capacities as a lender and/or issuer of letters of credit, "**Lender**"), under and/or in connection with a revolving credit facility for loans and letters of credit ("**Construction Loan**") to Novi.

Pursuant to and upon the terms and conditions set forth in the respective Participation Agreements described below (each a "**Participation Agreement**" and collectively, "**Participation Agreements**") between the Lender, as "**Originating Lender**" (as defined in the Participation Agreement) and each of Bank of America, N.A. successor in interest to LaSalle National Bank, Chesapeake Bank of Maryland, KeyBank, National Association, Successor to Key Corporate Capital Inc, and The Columbia Bank, as "**Participants**" (as defined in the **Participation Agreements**), the Originating Lender has sold, and each of the Participants has purchased, without recourse to the Originating Lender, its respective undivided ownership interest in the Construction Loan upon the terms and conditions set forth in the following respective Participation Agreement between such Participant and the Originating Lender: (a) Participation Agreement dated as of June 30, 2003 by and between Bank of America, N.A. successor in interest to LaSalle Bank, National Association and the Originating Lender; (b) Participation Agreement dated on or about December 30, 2002, by and between Chesapeake Bank of Maryland and the Originating Lender; (c) Participation Agreement dated as of August 20, 2003, by and between KeyBank, National Association, Successor to Key Corporate Capital Inc. and the Originating Lender; and (d) Participation Agreement dated as of July 31, 2002, by and between The Columbia Bank and the Originating Lender, as amended pursuant to an Amendment to Participation Agreement dated as of December 22, 2006. True and correct copies of the Participation Agreements are provided on the Exhibit CD as **Exhibit 1**.

As a result of the legal operation and effect of the Participation Agreements, each of the Debtors is also indebted to the Lender and to each of the Participants under and/or in connection with the Construction Loan to Novi.

The Lender, Originating Lender, and the Participants are referred to herein collectively as the "**Banks**".

PNC Bank, National Association, files this proof of claim on its own behalf, in its capacity as Lender, including but not limited to, issuer of letters of credit, under the Construction Loan Agreement, and as Originating Lender under the Participation Agreements, for the Banks pursuant to the protocol set forth in that Order Granting Joint Motion to Establish Protocol Under Federal Rules of Bankruptcy Procedure 3001 and 2019 for Filing Proofs of Claim entered on or about February 8, 2010 ("**Claims Protocol Order**"). Also in accordance with the Claims

Protocol Order, the Exhibits described in this Rider to Proof of Claim and the agreements, instruments, documents, and other writings which constitute such Exhibits to this Rider to Proof of Claim are submitted to the Court in electronic format on a CD-ROM ("**Exhibit CD**") enclosed with the Proof of Claim filed by the Originating Lender ("**Originating Lender's Claim**") and are incorporated herein by reference.

1. The obligations of Novi, ERC, Erickson Group, and Erickson Construction under and in connection with the Construction Loan are evidenced by, among other things:

a. The Revolving Loan Note dated as of February 12, 2002 in the stated principal amount of Forty-Six Million Dollars (\$46,000,000.00) ("**Revolving Loan Note**") executed and delivered by Novi and payable to the order of the Lender.

b. The Construction Loan Agreement dated as of February 12, 2002, by and between Novi and the Lender, as amended and modified pursuant to the First Comprehensive Amendment to Loan Documents dated as of February 12, 2002, the Waiver and Extension Agreement dated as of July 31, 2002, the Second Comprehensive Amendment to Loan Documents dated as of August 1, 2005, the Third Comprehensive Amendment to Loan Documents dated as of July 1, 2006, the Fourth Comprehensive Amendment to Loan Documents dated as of June 20, 2008, the Extension and Modification Agreement dated as of January 30, 2009, the Second Extension and Modification Agreement dated as of April 30, 2009, the Third Extension and Standstill Agreement dated as of June 1, 2009, the Forbearance Agreement dated as of June 30, 2009, the Second Forbearance Agreement made to be effective as of 12:00 PM (EST) on July 10, 2009 (all of the foregoing, as so amended and modified, collectively, "**Construction Loan Agreement**").

c. The following irrevocable letters of credit issued for the account of Novi by the Lender (each a "**Letter of Credit**" and, collectively, "**Letters of Credit**"), issued pursuant to Applications for Irrevocable Letter of Credit by Novi to the Lender (each an "**LC Application**" and, collectively, "**LC Applications**") and further evidenced and secured pursuant to Indemnification Agreements by Novi to and for the benefit of the Banks (each an "**Indemnification Agreement**" and, collectively, "**Indemnification Agreements**," and all of the following Letters of Credit, LC Applications, and Indemnification Agreements, collectively, "**LC Documents**") further evidencing the Letters of Credit (as defined in the Construction Loan Agreement) issued under the Construction Loan and Construction Loan Agreement and the Letter of Credit Obligations (as defined in the Construction Loan Agreement): (i) Letter of Credit no. 18106429-00-000, formerly no. 8038, issued April 15, 2002, in the originally stated amount of \$541,040.00 in favor of the City of Novi, Treasurer's Office, as amended from time to time, issued pursuant to the LC Application dated April 12, 2002; (ii) Letter of Credit no. 18106432-00-000, formerly no. 8662, issued June 14, 2004 in the originally stated amount of \$12,440.00 in favor of the City of Novi-Treasurer's Office, as amended from time to time, issued pursuant to LC Application dated June 7, 2004, and Indemnification Agreement dated as of June 7, 2004 by Novi for the benefit of the Banks; (iii) Letter of Credit no. 18106433-00-000, formerly no. 8663, issued June 14, 2004 in the originally stated amount of \$41,200.00 in favor of the City of Novi-Treasurer's Office, as amended from time to time, issued pursuant to LC Application dated June 7, 2004, and Indemnification Agreement dated as of June 7, 2004 by Novi for the benefit of the Banks; (iv) Letter of Credit no. 18106434-00-000, formerly no. 8664, issued June 14, 2004 in the originally stated amount of \$233,390.00 in favor of the City of Novi-

Treasurer's Office, as amended from time to time, issued pursuant to LC Application dated June 7, 2004, and Indemnification Agreement dated as of June 7, 2004 by Novi for the benefit of the Banks; (v) Letter of Credit no. 18106435-00-000, formerly no. 8665 issued June 14, 2004 in the originally stated amount of \$254,475.00 in favor of the City of Novi-Treasurer's Office, as amended from time to time, pursuant to the LC Application dated June 7, 2004, and Indemnification Agreement dated as of June 7, 2004 by Novi for the benefit of the Banks; (vi) Letter of Credit no. 18106436-00-000, formerly no. 8575, issued February 12, 2004 in the originally stated amount of \$20,000.00 in favor of the Department of Environmental Quality, as amended from time to time, pursuant to LC Application dated February 10, 2004, and Indemnification Agreement dated as of February 10, 2004 by Novi for the benefit of the Banks; (vii) Letter of Credit no. 18106437-00-000, formerly no. 8385, issued June 27, 2003 in the originally stated amount of \$1,000,000.00 in favor of the City of Novi-Treasurer's Office, as amended from time to time, issued pursuant to LC Application dated June 26, 2003, and Indemnification Agreement dated as of June 26, 2003 by Novi for the benefit of the Banks; (viii) Letter of Credit no. 18106438-00-000, formerly no. 8172, issued March 31, 2006 in the originally stated amount of \$429,202.50 in favor of the City of Novi-Treasurer's Office, as amended from time to time, issued pursuant to LC Application dated March 17, 2006 and Indemnification Agreement dated as of March 17, 2006 by Novi for the benefit of the Banks; (ix) Letter of Credit no. 18106440-00-000, formerly no. 8173 issued March 31, 2006 in the originally stated amount of \$92,325.00 in favor of the City of Novi-Treasurer's Office, as amended from time to time, issued pursuant to LC Application dated March 3, 2006 and Indemnification Agreement dated as of March 3, 2006 by Novi for the benefit of the Banks; (x) Letter of Credit issued August 17, 2007 (letter of credit no. 18107820-00-000, formerly no. 8506) in the originally stated amount of \$940,937.00 in favor of the City of Novi-Treasurer's Office, as amended from time to time, issued pursuant to LC Application dated August 10, 2007 and Indemnification Agreement dated as of August 10, 2007 by Novi for the benefit of the Banks; and (xi) Letter of Credit no. 18106431-00-000, formerly no. 8661, issued June 14, 2004 in the originally stated amount of \$1,800.00 in favor of the City of Novi-Treasurer's Office, as amended from time to time, issued pursuant to LC Application dated June 7, 2004 and Indemnification Agreement dated as of June 7, 2004 by Novi for the benefit of the Banks.

d. The Guaranty Agreement dated as of February 12, 2002 by and between ERC and Erickson Group, and the Lender ("**Guaranty**").

e. The Subordination Agreement dated as of February 12, 2002 in favor of the Lender by Erickson Construction as creditor and by Novi, ERC, and Erickson Group ("**Erickson Construction Subordination**").

True and correct copies of the Revolving Loan Note, the Construction Loan Agreement, the LC Documents, and the Guaranty are provided on the Exhibit CD as **Exhibit 2**, **Exhibit 3**, **Exhibit 4**, and **Exhibit 5**, respectively. The Erickson Construction Subordination together with other documents comprising the Erickson Construction Subordination Documents (defined below) are provided on the Exhibit CD as **Exhibit 6**.

2. As additional support for the Construction Loan, John C. Erickson and Nancy A. Erickson, Senior Living Limited Partnership, J&N Nevada Holding, Inc., and JCE Holding Corp. (collectively, "**Erickson Affiliates**") have executed and delivered to the Lender a Funding Guaranty Agreement dated as of March 13, 2002, guarantying the funding of certain

subordinated loans to the Borrower, further evidenced by the Funding Guaranty Promissory Note dated as of March 13, 2002 by John C. Erickson and Nancy A. Erickson, Senior Living Limited Partnership, J&N Nevada Holding, Inc., and JCE Holding Corp. for the benefit of the Lender (collectively, "**Affiliate Funding Guaranty Documents**"), copies of which are provided on the Exhibit CD as **Exhibit 7**.

3. The indebtedness and obligations that are owed to the Banks by Novi, ERC, Erickson Group, and Erickson Construction under the Revolving Loan Note, the Construction Loan Agreement, the LC Documents, the Guaranty, and the Erickson Construction Subordination, are secured by, *inter alia*, various assets of Novi, ERC, Erickson Group, Erickson Construction, and others (collectively, "**Collateral**"), including, without limitation:

a. a first-priority, duly perfected pledge and security interest and lien in, to and against 100% of the membership and other equity interests in Novi ("**Pledged Interests**"), including but not limited to all certificates and entries on the books and records of any financial intermediary pertaining to the Pledged Interests, all dividends, distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Interests, all additional interests in, and all securities convertible into, and any warrants, options and other rights to purchase or otherwise acquire interests in any issuer of the Pledged Interests from time to time, and all cash and non-cash proceeds and products of any of the foregoing, pursuant to, and as described in and evidenced by: (i) the Member Interest Pledge Agreement dated as of February 12, 2002 by and between ERC, as pledgor, and the Lender, as secured party ("**Pledge Agreement**"); (ii) various ERC Financing Statements (as defined below), including but not limited to the UCC-1 Financing Statement against ERC, as debtor, in favor of the Lender, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181112851, Liber U00205, folio 0959.

b. first-priority, duly perfected mortgage liens, security interests, pledges, assignments, and other liens in, to and against all of the tangible and intangible assets, property rights, and benefits of Novi, and all cash and non-cash proceeds and products thereof, pursuant to, and as described in and evidenced by, the following:

i. first-priority, duly perfected mortgage liens, security interests, grants, pledges, assignments, and other liens in, to and against all of the real property, improvements, fixtures, and related rights and properties comprising the retirement community generally known or to be known as "Fox Run Village Retirement Community" ("**Retirement Community**") and located upon the land consisting of approximately 102 acres of land located on Thirteen Mile Road in the City of Novi, Oakland County, Michigan and more particularly described in Exhibit A attached to the Mortgage (as defined below) ("**Land**"), all leases, rents, profits arising from the aforesaid property, and all other rights, titles, and interests of Novi in and to such property pursuant to and as described in and evidenced by: (A) the Mortgage dated as of February 12, 2002 by Novi to the Lender ("**Mortgage**"), recorded among the Land Records of Oakland County, Michigan Register of Deeds as instrument no. 291096, Liber 26043, pages 697-715; (B) the Assignment of Rents and Leases dated as of February 12, 2002 by Novi to the Lender, recorded among the Land Records of Oakland County, Michigan Register

of Deeds as instrument no.304062 in Liber 26112, pages 858-866; (C) the Environmental Compliance Certificate and Agreement dated as of February 12, 2002 by Novi and ERC, in favor of the Lender; and (D) and the various Financing Statements (as defined below) (all of the foregoing, collectively, "**Mortgage Security Documents**");

ii. first-priority, duly perfected security interests, pledges, grants, assignments, and other liens in, to and against all of Novi's assets, including, without limitation, all accounts (including but not limited to accounts receivable and notes receivable arising from loans made to, or from the lease of property to, Tenant (as defined below), and all receivables arising out of the use of any credit or charge card), equipment, fixtures, inventory, chattel paper, general intangibles (including but not limited to patents, trademarks, copyrights, and other intellectual property, tax refunds or claims, general or limited partnership interests or limited liability company interests), cash and deposits, deposit accounts, bank accounts, instruments, documents, goods, motor vehicles, letter-of-credit rights and any other rights under letters of credit, investment property, commercial tort claims, and supporting obligations, "**Licenses**," "**Residence and Care Agreements**," "**Funds**," "**Borrower Collateral Account**," and "**Entrance Deposits**" (as such terms are defined and described in the Security Agreement, defined below), all rights, titles, and interests of Novi under the "**Community Documents**," "**Lease**," "**Working Capital Loan Documents**," "**Community Loan Documents**," "**Management Agreement**," and "**Development Agreement**" (as such terms are defined and described in the Construction Loan Agreement), including all amounts received or due thereunder, including all proceeds which Novi is entitled to receive under the Community Loan Documents, and all cash and non-cash proceeds and products of all of the foregoing, all pursuant to, and as described in and evidenced by (A) the Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements dated as of February 12, 2002 by Novi and ERC in favor of the Lender ("**Security Agreement**"), (B) the LC Documents, (C) the Mortgage Security Documents, and (D) the UCC-1 Financing Statement against Novi, as debtor, in favor of the Lender, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181112850, in Liber U00205, folio 0955, and the UCC-1 Financing Statements against Novi, as debtor, in favor of the Lender, as secured party, recorded among the Land Records of Oakland County, Michigan Register of Deeds as instrument no. 291229, Liber 26044, pages 130-133, and in the Oakland County, Michigan Financing Statement records as instrument no. 0201519 (collectively, "**Financing Statements**"); and

iii. first-priority, duly perfected security interests, pledges, grants, assignments, and other liens in, to and against all "**Project Documents**," as such term is defined in the Assignment of Project Documents (as defined below), and all right, title, and interest under the Completion Agreements (as defined below), including but not limited to, all architectural, engineering, and similar plans, specifications, drawings and reports, including all copyrights relating to the foregoing, surveys, plats, permits and the like, all contracts for design,

construction, operation and maintenance of, or provision of services to, the Retirement Community and/or the Land, all sewer taps and allocations, agreements for utilities, bonds, letters or credit and the like, all relating to the Land and the Retirement Community, all plans and specifications prepared by Nordstrom Samson Associates, Kenneth Weikal Landscape Architecture and/or Zeimet/Wozniak Associates, Inc. in connection with the construction of the Retirement Community, together with all additions thereto and replacements, substitutions and modifications thereof, and all design, marketing and construction concepts, residence and care forms, leasing forms belonging to Novi, or ERC, or used in connection with the Land or the Retirement Community, but not the assignor's burdens or obligations thereunder, pursuant to, and as described in and evidenced by (A) the Collateral Assignment of Project Documents dated as of February 12, 2002 by Novi and ERC to the Lender ("**Assignment of Project Documents**"), (B) Architect's Agreement to Complete dated as of February 6, 2002 by Nordstrom Samson Associates for the benefit of the Lender, the Landscape Architect's Agreement to Complete dated as of February 7, 2002 by Kenneth Weikal Landscape Architecture for the benefit of the Lender, Construction Manager's Agreement to Complete dated as of February 12, 2002 by Erickson Construction for the benefit of the Lender (collectively, "**Completion Agreements**"), (C) Mortgage Security Documents, (D) Security Agreement, and (E) the Financing Statements.

c. first-priority, duly perfected security interests, pledges, assignments, and other liens in, to and against all tangible and intangible assets of Fox Run Village, Inc. ("**Tenant**"), including but not limited to all inventory, accounts (including but not limited to accounts receivable and notes receivable arising from loans made, or from leases entered into between, Tenant and Novi, and all receivables arising out of the use of any credit or charge card), general intangibles (including but not limited to patents, trademarks, copyrights, and other intellectual property, tax refunds or claims, general or limited partnership interests or limited liability company interests), chattel paper, equipment, fixtures, cash and deposits, bank accounts, deposit accounts, documents, goods, motor vehicles, letter-of-credit rights and any other rights under letters of credit, instruments, investment property, commercial tort claims, supporting obligations, "**Entrance Deposits**," including but not limited to "**Initial Entrance Deposits**" and advances from the proceeds of Initial Entrance Deposits, all right, title, and interest of the Tenant in and to all "**Residence and Care Agreements**," "**Funds**," "**Borrower Collateral Account**," and all payments due thereunder, and "**Licenses**," including but not limited to, certificates of need, operating permits, franchises and other governmental authorizations and approvals now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Retirement Community, including, but not limited to, all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community, any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities, any and all third party payment contracts under which payment may be made for services rendered at the Retirement Community, and any and all personalty of the Tenant located on the property and utilized in connection with the operation or maintenance of the Retirement Community, and all additions to, modifications of and substitutions for any of the foregoing, and all cash and non-cash proceeds and products of all of the foregoing, as defined and described in, evidenced by, and granted by Tenant to Novi pursuant to, the Community Loan

Agreement (as defined below) and the Note (as such term is defined in the Community Loan Agreement, which Note was to be executed as a post-closing item under the Community Loan, but was nevertheless unequivocally assigned to the Lender), the Working Capital Loan Documents, the Lease, and the Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements dated as of dated February 12, 2002 by the Tenant in favor of Novi ("**Tenant Security Agreement**"), all of which were collaterally assigned by Novi to the Lender, and as evidenced by the UCC-1 Financing Statement against the Tenant, as debtor, in favor of Novi, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181112852, Liber U00205, folio 0962 and assigned by Novi to the Lender pursuant to the UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00225, folio 1251, and the UCC-1 Financing Statement against the Tenant, as debtor, in favor of Novi, as secured party, recorded among the Land Records of Oakland County, Michigan Register of Deeds as instrument no. 291238, Liber 26044, pages 138-141, and in the Oakland County, Michigan Financing Statement records as instrument no. 0201521, assigned by Novi to the Lender pursuant to the UCC Financing Statement Amendment recorded among the Land Records of Oakland County, Michigan Register of Deeds as instrument no. 291239, Liber 26044, pages 142-145, and in the Oakland County, Michigan Financing Statement records as instrument no. 0201522 (together with the Tenant Security Agreement, collectively, "**Tenant Security Documents**"), all pursuant to and as further described and evidenced by in (A) the Security Agreement, (B) the Financing Statements, (C) the Consent of Fox Run Village, Inc. dated as of February 12, 2002 ("**Fox Run Consent**"), and (D) Agreement Regarding Bank Branch dated as of February 12, 2002 by Tenant ("**Bank Branch Agreement**").

d. first-priority, duly perfected security interests, pledges, assignments, and other liens in, to and against the following tangible and intangible assets, property rights, and benefits of ERC, and all cash and non-cash proceeds and products thereof, pursuant to and as described in and evidenced by the following:

i. first-priority, duly perfected security interests, pledges, assignments, and other liens in, to and against all of ERC's right, titles, and interests in the Management Agreement (including all extensions, replacements and substitutes) between the Tenant and ERC (or any future manager of the Retirement Community) for the Retirement Community, the Lease, the Working Capital Loan Documents, the Community Documents, and the Community Loan Documents, and any and all documents and agreements (including but not limited to the Development Agreement) by and between or among Novi, the Tenant, ERC (or any successor manager) and any other person or entity relating to the construction, leasing, occupancy and/or operation of the Retirement Community, and including, without limitation, any proceeds of loans which ERC is entitled to receive under the Community Loan Documents (including advances from Initial Entrance Deposits), pursuant to, and as described in and evidenced by (A) the Security Agreement; and (B) various UCC-1 Financing Statements against ERC, as debtor, in favor of the Lender, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181112851, Liber U00205, folio 0959, among the Land Records of Oakland County, Michigan Register of Deeds as instrument no. 291237, Liber

26044, pages 134-137, and in the Oakland County, Michigan Financing Statement records as instrument no. 0201520 (collectively, **"ERC Financing Statements"**);

ii a first-priority, duly perfected security interest and lien in, to and against all of ERC's assets, including but not limited to, accounts (including but not limited to accounts receivable and notes receivable arising from loans made to, or from the lease of property to, the Tenant and all receivables arising out of the use of any credit or charge card), equipment, fixtures, inventory, chattel paper, general intangibles (including but not limited to patents, trademarks, copyrights, and other intellectual property, tax refunds or claims, general or limited partnership interests or limited liability company interests), licenses, cash and deposits, bank accounts, deposit accounts, instruments, documents, goods, motor vehicles, letter-of-credit rights and any other rights under letters of credit, investment property, commercial tort claims, and supporting obligations, **"Licenses," "Residence and Care Agreements," "Funds," "Borrower Collateral Account,"** and **"Entrance Deposits"** (as such terms are defined and described in the Security Agreement), all rights, titles, and interests of ERC under the **"Community Documents," "Lease," "Working Capital Loan Documents," "Community Loan Documents," "Management Agreement,"** and **"Development Agreement"** (as such terms are defined and described in the Construction Loan Agreement), including all amounts received or due thereunder, including all proceeds which ERC is entitled to receive under the Community Loan Documents, and all cash and non-cash proceeds and products of all of the foregoing, to the extent that the same are located at, or are used solely in connection with, or relate to, or arise from the Retirement Community, and the development, financing, and operation of the Retirement Community (excluding certain computer systems) pursuant to, and as described in and evidenced by (A) the Security Agreement, (B) the LC Documents, and (C) the ERC Financing Statements; and

iii. first-priority, duly perfected security interests, pledges, assignments, and other liens in, to and against all Project Documents, and all right, title and interest under the Completion Agreements, including but not limited to, all architectural, engineering, and similar plans, specifications, drawings and reports, including all copyrights relating to the foregoing, surveys, plats, permits and the like, all contracts for design, construction, operation and maintenance of, or provision of services to, the Retirement Community and/or Land, all sewer taps and allocations, agreements for utilities, bonds, letters or credit and the like, all relating to the Land and the Retirement Community, all plans and specifications prepared by Nordstrom Samson Associates, Kenneth Weikal Landscape Architecture and/or Zeimet/Wozniak Associates, Inc. in connection with the construction of the Retirement Community, together with all additions thereto and replacements, substitutions and modifications thereof, and all design, marketing and construction concepts, residence and care forms, leasing forms belonging to Novi or ERC or used in connection with Land or the Retirement Community, but not the assignor's burdens or obligations thereunder, pursuant to, and as described in and evidenced by (A) the Assignment of Project Documents, (B) the Security Agreement, (C) the ERC Financing Statements.

e. All right, title, and interests of the Banks pursuant to, and as described in and evidenced by, and all claims against the Erickson Affiliates (individually and collectively) under the Subordination Agreement dated as of February 12, 2002 in favor of the Lender by the Erickson Affiliates, jointly and severally, as creditors, and by Novi, ERC, and Erickson Group ("**Erickson Affiliates Subordination**"), and the duly perfected security interests, pledges, assignments, and other liens held by the Lender in and to the "Subordinated Indebtedness," as defined in the Erickson Affiliates Subordination, and all proceeds thereof, and all rights and interests of each of the Erickson Affiliates in any of the "Subordinated Documents," as such term is defined in the Erickson Affiliates Subordination, and as described in and evidenced by the UCC-1 Financing Statements against John C. Erickson and Nancy A. Erickson, as debtors, in favor of the Lender, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181112855, Liber U00205, folio 0970, and among the financing statement records of the Florida Secured Transactions Registry as document no. 200201673248, UCC-1 Financing Statement against Senior Living Limited Partnership, as debtor, in favor of the Lender, as secured party, recorded among the financing statement records of the Secretary of State of Nevada as filing no. 2002018617-3, UCC-1 Financing Statement against J&N Nevada Holding, Inc., as debtor, in favor of the Lender, as secured party, recorded among the financing statement records of the Secretary of State of Nevada as filing no. 2002018617-3, UCC-1 Financing Statement against JCE Holding Corp., as debtor, in favor of the Lender, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181112858, Liber U00205, folio 0978 (together with the Erickson Affiliates Subordination, collectively, "**Erickson Affiliates Subordination Documents**").

f. All right, title and interests of the Banks pursuant to and as described in and evidenced by, and all claims against Tenant under, a Subordination Agreement dated as of February 12, 2002 ("**Fox Run Subordination**") by Tenant, and the duly perfected security interests, pledges, assignments, and other liens held by the Lender in and to the "Subordinated Indebtedness," as defined in the Fox Run Subordination, and all proceeds thereof, and all rights and interests of Tenant in any of the "Subordinated Documents," as defined in the Fox Run Subordination, and as described in and evidenced by the UCC-1 Financing Statement against Tenant, as debtor, in favor of the Lender, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181112854, Liber U00205, folio 0968, and all right, title and interest of the Tenant in, to and under the Junior Mortgage (as such term is defined below) pursuant to the Assignment of Community Mortgage dated as of February 12, 2002 by the Tenant to the Lender recorded among the Land Records of Oakland County, Michigan, as instrument no. 295084 in Liber 26064, pages 454-457 (collectively, "**Fox Run Subordination Documents**").

g. All right, title and interest of the Banks pursuant to and as described in and evidenced by, and all claims against the Tenant under, a Tenant Subordination Agreement dated as of February 12, 2002 ("**Tenant Subordination**") by Tenant, and pursuant to and as described in and evidenced by the Curative Rights Agreement dated as of February 12, 2002 by Tenant, with the consent and joinder of Novi and ERC, for the benefit of the Lender (together with the Tenant Subordination, collectively, "**Tenant Subordination Documents**").

h. All right, title and interests of the Banks pursuant to, and as described in and evidenced by, and all claims against Erickson Construction under, the Erickson Construction Subordination, and the duly perfected security interests, pledges, assignments, and other liens held by the Lender in and to the "Subordinated Indebtedness" as defined in the Erickson Construction Subordination, and all proceeds thereof, and all rights of Erickson Construction in any of the "Subordinated Documents," as such term is defined in the Erickson Construction Subordination, and as described in and evidenced by the UCC-1 Financing Statement against Erickson Construction, as debtor, in favor of the Lender, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181112857, Liber U00205, folio 0976 (together with the Erickson Construction Subordination, collectively, "**Erickson Construction Subordination Documents**").

i. All right, title, and interest of the Banks pursuant to, and as described in and evidenced by, and all claims against HCP ER2, LP, successor to CNL Retirement ER2, LP ("**Ground Lessor**") and HCP ER2 Partners, LP, successor to CNL Retirement Partners, LP ("**Ground Lessor Parent**") under, (A) the Ground Lessor Tri-Party Agreement dated as of February 28, 2003 ("**Tri-Party Agreement**"), recorded among the Land Records of Oakland County, Michigan Register of Deeds as instrument no. 196347, Liber 28868, pages 487-511 among the Lender, Ground Lessor, Ground Lessor Parent, and Novi, *inter alia*, subordinating to the rights and interests of the Banks under the Construction Loan Agreement and the "Loan Documents" (as defined in the Construction Loan Agreement), all of the rights and interests of Ground Lessor and Ground Lessor Parent under the "Ground Lease Documents" (as such term is defined in the Tri-Party Agreement), including but not limited to the liens granted to Ground Lessor and Ground Lessor Parent with respect to the Retirement Community and the Land to the liens held by the Lender, subordinating payment of the "Subordinated Obligations" (as defined in the Tri-Party Agreement), including but not limited to all rent and other amounts due or to become due under the Ground Lease Documents to the prior payment in full of the Construction Loan, and subordinating the terms, conditions and covenants of the Ground Lease Documents to the terms, conditions, and covenants of the Construction Loan Agreement and the "Loan Documents" (as defined in the Construction Loan Agreement), and (B) the security interests, pledges, assignments, and other liens held by the Lender in and to all rights of Ground Lessor and Ground Lessor Parent in, to and under the Ground Lease Documents, including but not limited to the Ground Lease dated as of February 28, 2003 by and between Ground Lessor and Novi, the Memorandum of Ground Lease dated February 28, 2003 by and between Ground Lessor and Novi and recorded among the Land Records of Oakland County, Michigan Register of Deeds in as instrument no. 196349, Liber 28868, pages 527-535, the Assignment of Licenses, Permits, Plans, Contracts and Warranties dated as of February 28, 2003 by Novi in favor of Ground Lessor, the Limited Guaranty And Indemnity Agreement dated as of February 28, 2003 by ERC in favor of Ground Lessor, the Membership Interest Pledge Agreement dated as of February 28, 2003 by ERC in favor of Ground Lessor, the Lessor-Developer Agreement dated as of February 28, 2003 by ERC for the benefit of Ground Lessor, the Fox Run Village Non-Disturbance, Recognition, and Attornment Agreement dated as of February 28, 2003 by and among Tenant, Novi, and Ground Lessor, recorded among the Land Records of Oakland County, Michigan as instrument no. 196348, Liber 28868, pages 512-526 and all rights and interests of Ground Lessor and Ground Lessor Parent thereunder, as further described in the Tri-Party Agreement (together with the Tri-Party Agreement, collectively, "**Ground Lessor Subordination Documents**").

True and correct copies of the Pledge Agreement and ERC Financing Statements, Mortgage Security Documents, Security Agreement and Financing Statements, Assignment of Project Documents, Completion Agreements, Tenant Security Documents, Erickson Affiliates Subordination Documents, Fox Run Consent, Bank Branch Agreement, Fox Run Subordination Documents, Tenant Subordination Documents and Ground Lessor Subordination Documents are provided on the Exhibit CD as Exhibit 8, Exhibit 9, Exhibit 10, Exhibit 11, Exhibit 12, Exhibit 13, Exhibit 14, Exhibit 15, Exhibit 16, Exhibit 17, Exhibit 18, and Exhibit 19, respectively.

A true and correct copy of the form of Residence and Care Agreement (defined above) is provided on the Exhibit CD as Exhibit 20. The Lease (defined above) includes, without limitation, the Master Lease and Use Agreement dated as of February 12, 2002 by and between Novi and the Tenant, as amended pursuant to the Fox Run Village Amendment to Master Lease and Use Agreement dated to be effective as of January 1, 2003 and as further amended pursuant to the Fox Run village Retirement Community Second Amendment to Master Lease and Use Agreement dated to be effective as of February 28, 2003, and the Memorandum of Master Lease dated to be effective as of February 12, 2002 by and between Novi and the Tenant, copies of which are provided on the Exhibit CD as Exhibit 21. The Working Capital Loan Documents (defined above) include without limitation, the Working Capital Loan Agreement dated as of February 12, 2002 by and between the Tenant and Novi, the Working Capital Promissory Note dated as of February 12, 2002 by the Tenant and payable to the order of Novi in the originally stated principal amount of Sixteen Million Dollars (\$16,000,000.00), the Lockbox Account Agreement dated as of February 12, 2002 by and between the Tenant and Novi, copies of which are provided on the Exhibit CD as Exhibit 22. The Community Loan Documents (defined above), include without limitation, the Community Loan Agreement dated as of February 12, 2002 by and between the Tenant and Novi ("**Community Loan Agreement**"), the Mortgage dated as of February 12, 2002 ("**Junior Mortgage**") by Novi to the Tenant recorded among the Land Records of Oakland County, Michigan Register of Deeds as instrument no. 291097, Liber 26043, pages 716-737, copies of which are provided on the Exhibit CD as Exhibit 23. The Management Agreement (defined above) includes, without limitation, the Amended and Restated Management and Marketing Agreement dated as of February 12, 2004 between the Tenant and ERC (amending and restating in its entirety the Management and Marketing Agreement dated as of February 12, 2002) a copy of which is provided on the Exhibit CD as Exhibit 24. The Development Agreement (defined above) includes, without limitation, the Development Agreement dated as of February 12, 2002 by and between Novi and ERC, and the Development Agreement January 14, 2002 by and between Novi, Norman Steel and Lawrence Steel, and the City of Novi, copies of which are provided on the Exhibit CD as Exhibit 25.

The Revolving Loan Note, the Construction Loan Agreement, the LC Documents, the Guaranty, the Erickson Construction Subordination Documents, the Erickson Affiliates Subordination Documents, the Pledge Agreement, ERC Financing Statements, Mortgage Security Documents, Security Agreement and Financing Statements, Assignment of Project Documents, Completion Agreements, Tenant Security Documents, Fox Run Consent, Bank Branch Agreement, Fox Run Subordination Documents, Tenant Subordination Documents, Ground Lessor Subordination Documents, Community Documents, Lease, Working Capital Loan Documents, Community Loan Documents, Management Agreement, Development Agreement, Participation Agreements, and the agreements, instruments, and documents

referenced therein or executed in connection therewith, are collectively referred to herein as the "Loan Documents".

Prior to October 19, 2009 (the "Petition Date"), Novi defaulted on its payment obligations to the Banks under the terms and conditions of the Loan Documents. As of Petition Date, the amounts owed to each Bank under the Loan Documents, exclusive of attorneys' fees and expenses, were not less than the following:

1. Bank Of America, N.A. Successor To LaSalle Bank, National Association

Principal:	\$ 5,078,032.84
Interest:	\$ 117,381.85
Late Charges:	\$ 4,627.42
Forbearance Fee:	\$ 101,560.66
Legal Fees and Expenses	
(Counsel for Lender):	\$ 10,624.06
(Counsel for Bank of America, N.A.):	\$ 18,592.00
Professional Fees (non-legal):	\$ 14,234.83
Lien Searches:	\$ 115.56
Title Check Expenses:	\$ 89.67
Total (as of Petition Date):	<u>\$ 5,345,258.89</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$775.81)

2. Chesapeake Bank Of Maryland

Principal:	\$ 1,895,797.25
Interest:	\$ 43,822.52
Late Charges:	\$ 1,727.57
Forbearance Fee:	\$ 37,915.95
Legal Fees and Expenses	
(Counsel for Lender):	\$ 3,966.31
(Counsel for Chesapeake Bank):	\$
Professional Fees (non-legal):	\$ 5,314.33
Lien Searches:	\$ 43.14
Title Check Expenses:	\$ 33.48
Total (as of Petition Date):	<u>\$ 1,988,620.55</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$289.64)

KeyBank National Association, Successor To Key Corporate Capital, Inc.

Principal:	\$ 6,770,711.07
Interest:	\$ 156,509.15
Late Charges:	\$ 6,169.90
Forbearance Fee:	\$ 135,414.22
Legal Fees and Expenses	
(Counsel for Lender):	\$ 14,165.42
(Counsel for KeyBank, N.A.):	\$ _____
Professional Fees (non-legal):	\$ 18,979.78
Lien Searches:	\$ 154.08
Title Check Expenses:	\$ 119.57
Total (as of Petition Date):	<u>\$ 7,102,223.19</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])

(Per diem interest as of Petition Date = \$1,034.42)

3. PNC Bank, National Association, Successor To Mercantile-Safe Deposit And Trust Company

Principal:	\$ 13,338,272.09
Interest:	\$ 308,322.42
Late Charges:	\$ 12,154.67
Forbearance Fee:	\$ 266,765.44
Legal Fees and Expenses	
(Counsel for Lender):	\$ 27,905.81
(Counsel for PNC Bank, N.A.):	\$ _____
Professional Fees (non-legal):	\$ 37,390.08
Lien Searches:	\$ 303.53
Title Check Expenses:	\$ 235.54
Outstanding Letters of Credit:	\$ 1,455,615.00
Letter of Credit Fees:	\$ 7,407.93
Total (as of Petition Date):	<u>\$ 15,454,372.51</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])

(Per diem interest as of Petition Date = \$2,037.79 [Not Including Letter Of Credit Obligations])

(Letter Of Credit per diem interest as of Petition Date of \$59.82)

4. The Columbia Bank

Principal:	\$ 4,062,459.41
Interest:	\$ 93,906.20
Late Charges:	\$ 3,701.97
Forbearance Fee:	\$ 81,249.19
Legal Fees and Expenses	
(Counsel for Lender):	\$ 8,499.32
(Counsel for The Columbia Bank):	\$
Professional Fees (non-legal):	\$ 11,387.96
Lien Searches:	\$ 92.45
Title Check Expenses:	\$ 71.74
Total (as of Petition Date):	<u>\$ 4,261,368.24</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])

(Per diem interest as of Petition Date = \$620.65)

As of the Petition Date, the total aggregate amounts owed to the Banks under the Loan Documents, exclusive of attorneys' fees and expenses, were not less than the following:

Principal:	\$ 31,145,272.66
Interest:	\$ 719,942.14
Late charges:	\$ 28,381.52
Forbearance Fee:	\$ 622,905.45
Legal fees and expenses	
(Counsel for Lender):	\$ 65,160.93
(Counsel for Participants):	\$ 18,592.00
Professional fees (non-legal):	\$ 87,306.97
Lien Searches:	\$ 708.75
Title Check Expenses:	\$ 550.00
Outstanding Letters of Credit:	\$ 1,455,615.00
Letter of Credit Fees:	\$ 7,407.93
Total (as of Petition Date):	<u>\$ 34,151,843.35</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])

(Per diem interest as of Petition Date = \$4,758.31) [Not Including Letter Of Credit Obligations])

(Letter Of Credit per diem interest as of Petition Date=\$59.82)

As of December 31, 2009, additional amounts owed to each Bank under Loan Documents, were as follows:

1. Bank Of America, N.A. Successor To LaSalle Bank, National Association

Interest:	\$ 56,634.22
Late Charges:	\$ 2,172.79
Legal fees and expenses	
(Counsel for Lender):	\$ 15,848.16
(Counsel for Bank Of America, N.A.):	\$ 775.20
Professional fees (non-legal):	\$ 10,044.54
Appraisal fees:	\$ 2,934.78
Other fees and expenses:	\$
Total (10/19/09 – 12/31/09):	<u>\$ 88,409.69</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$775.81)

2. Chesapeake Bank Of Maryland

Interest:	\$ 21,143.43
Late Charges:	\$ 811.18
Legal fees and expenses	
(Counsel for Lender):	\$ 5,916.64
(Counsel for Chesapeake Bank):	\$ 55.00
Professional fees (non-legal):	\$ 3,749.96
Appraisal fees:	\$ 1,095.65
Other fees and expenses:	\$
Total (10/19/09 – 12/31/09):	<u>\$ 32,771.86</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$289.64)

3. KeyBank National Association, Successor To Key Corporate Capital, Inc.

Interest:	\$ 75,512.31
Late Charges:	\$ 2,897.06
Legal fees and expenses	
(Counsel for Lender):	\$ 21,130.88
(Counsel for KeyBank N.A.):	\$
Professional fees (non-legal):	\$ 13,392.72
Appraisal fees:	\$ 3,913.04
Other fees and expenses:	\$
Total (10/19/09 – 12/31/09):	<u>\$ 116,846.01</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$1034.42)

4. PNC Bank, National Association, Successor To Mercantile-Safe Deposit And Trust Company

Interest:	\$ 148,758.92
Late Charges:	\$ 5,707.19
Legal Fees and Expenses	
(Counsel for Lender):	\$ 41,627.75
(Counsel for PNC Bank, N.A.):	\$ _____
Professional Fees (non-legal):	\$ 26,383.59
Appraisal Fees	\$ 7,708.68
Other Fees and Expenses:	\$ _____
Letter of Credit Fees:	\$ 4,366.86
Total (10/19/09 – 12/31/09):	<u>\$ 234,552.99</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])

(Per diem interest as of Petition Date = \$2,037.79 [Not Including Letter Of Credit Obligations])

(Letter Of Credit per diem interest as of Petition Date of \$59.82)

5. The Columbia Bank

Interest:	\$ 45,307.75
Late Charges:	\$ 1,738.25
Legal fees and expenses	
(Counsel for Lender):	\$ 12,678.63
(Counsel for The Columbia Bank):	\$ _____
Professional fees (non-legal):	\$ 8,035.69
Appraisal fees:	\$ 2,347.84
Other fees and expenses:	\$ _____
Total (10/19/09 – 12/31/09):	<u>\$ 70,108.16</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])

(Per diem interest as of Petition Date = \$620.65)

As of December 31, 2009, the aggregate additional amounts owed to the Banks under Loan Documents, were not less than the following:

Interest:	\$ 347,356.63
Late Charges:	\$ 13,326.47
Legal fees and expenses	
(Counsel for Lender):	\$ 97,202.06
(Counsel for Participants):	\$ 830.20
Professional fees (non-legal):	\$ 61,606.50
Appraisal fees:	\$ 18,000.00
Other Fees and Expenses:	\$
<u>Letter of Credit Fees:</u>	<u>\$ 4,366.86</u>

Total (10/19/09 – 12/31/09): **\$ 542,688.72**

*(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$4,758.31) [Not Including Letter Of Credit Obligations]
(Letter Of Credit per diem interest as of Petition Date=\$59.82)*

In addition to the foregoing amounts, the Banks, individually and collectively, reserve the right to collect as part of their respective claims against Novi, ERC, Erickson Construction, and Erickson Group, in accordance with the terms of the Loan Documents and applicable law, (i) all post-petition interest and late charges that accrue under the Loan Documents after the Petition Date, and (ii) all pre-petition and post-petition attorneys' fees and expenses that any or all of the Banks has incurred and hereafter incurs as a result of the filing of this bankruptcy case, the defaults existing under the Loan Documents and the enforcement of rights and remedies of any and all of the Banks under the Loan Documents, including but not limited to continuing interest, reasonable fees, costs and charges pursuant to 11 U.S.C. § 506B.

The Banks, individually and collectively, reserve the right to periodically supplement and/or amend this Proof of Claim from time to time and to assert an unsecured claim in this bankruptcy case to the extent that the value of the Collateral is insufficient to satisfy the Banks' claims against Novi, ERC, Erickson Construction, and Erickson Group under the Loan Documents. The Banks, individually and collectively, also reserve the right to amend and/or supplement this Proof of Claim in all other respects and to add additional claims of any nature whatsoever, including but not limited to claims entitled to administrative priority.

In accordance with the Claims Protocol Order, the Originating Lender is an "authorized agent" within the meaning of Federal Rule of Bankruptcy Procedure 3001(b) who may file a proof of claim on behalf of the Banks with respect to the Loan Documents. Notwithstanding the foregoing, any Bank may, but need not, file its own proof(s) of claim for amounts due, which may be duplicative of amounts set forth in the Originating Lender's Claim if such Bank disagrees with the amount, basis, documentation or any other assertion set forth in the Originating Lender's Claim or for any other reason.

The filing of this Proof of Claim is not an acknowledgment or admission that the Bankruptcy Court has jurisdiction over the Banks' and/or the Banks' claims against any debtor or non-debtor entity, and the Banks reserve all rights with respect thereto. The Banks do not waive any rights to a jury trial, arbitration or enforcement of a choice of law or venue selection clause by filing this Proof of Claim. The filing of this Proof of Claim is without prejudice to any and all claims, causes of action and remedies that the Banks may have against the debtors or any non-debtors entities, all of which are expressly preserved. This Proof of Claim shall not operate as an admission or waiver of claims, causes of action or remedies that the Banks may have against any of the debtors or non-debtor entities under applicable law. Any of the Banks may file additional, supplemental and/or amended Proofs of Claim, which claims shall be considered a part of this Proof of Claim.



KeyBank National Association
127 Public Square
Cleveland, OH 44111

February 22, 2010

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

Dear Sir/Madame

Enclosed you will find one (1) original and one (1) copy Proof of Claims with Rider along with self-addressed envelopes for each. Please return a stamped copy of each Proof of Claim marked **FILED**.

Debtor	Case No
Novi Campus, LLC	09-37025
Erickson Retirement Communities, LLC	09-37010
Erickson Group, LLC	09-37015
Erickson Construction, LLC	09-37016

Thank You

Patricia L Nyfenger
Administrative Assistant
127 Public Square
OH-01-27-0504
Cleveland Oh 44114-1306